LISTING PROSPECTUS | **NOT FOR GENERAL CIRCULATION IN THE UNITED STATES**

LOXAM S.A.S.

€350,000,000 4.500% Senior Secured Notes due 2027

We ("Loxam," the "Issuer" or the "Company") are a limited liability company (*société par actions simplifiée*) formed under French law. We are offering €350,000,000 principal amount of our 4.500% senior secured notes due 2027 (the "Notes").

The Notes will mature on February 15, 2027. We will pay interest on the Notes semi-annually on each March 15 and September 15, commencing September 15, 2022, at a rate of 4.500% per annum. The Notes will be guaranteed on the Issue Date by certain subsidiaries of the Issuer and will be secured by security interests with first priority under the Intercreditor Agreement (as defined herein) in our "Loxam" trademark and 100% of the share capital of three of our subsidiaries, Loxam Module SAS, Loxam Power SAS and Ramirent Ltd and by a first priority security interest over our Lavendon shares. We may redeem all or part of the Notes at any time on or after February 15, 2024 at the redemption prices described in this listing prospectus. At any time prior to February 15, 2024, we may redeem all or part of the Notes at a redemption price equal to 100% of their principal amount plus the applicable premium described in this listing prospectus. At any time prior to February 15, 2024 during each 12-month period commencing on the Issue Date (as defined herein), we may redeem up to 10% of the aggregate principal amount of the Notes at a redemption price of 103% of the principal amount of the Notes redeemed. In addition, at any time prior to February 15, 2024, we may also redeem up to 45% of the Notes with the net proceeds from certain equity offerings. Upon certain events constituting a change of control and a specified rating decline (in each case as defined in the listing prospectus), we may be required to make an offer to purchase the Notes at a price equal to 101% of the principal amount thereof. In the event of certain developments affecting taxation, we may redeem all, but not less than all, of the Notes.

There is currently no public market for the Notes. Application has been made to the Luxembourg Stock Exchange (the "Exchange") for the listing of the Notes on the Official List of the Exchange and to trading on the Euro MTF market ("Euro MTF"). This listing prospectus constitutes a prospectus for purposes of Part IV of the Luxembourg law on prospectuses for securities dated July 16, 2019.

This listing prospectus includes information on the terms of the Notes, including redemption prices, covenants and transfer restrictions.

Investing in the Notes involves a high degree of risk. See "Risk Factors" beginning on page 26.

The Notes have not been registered under the U.S. Securities Act of 1933, as amended (the "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 Securities Act. In the United States, the offering is being made only to "qualified institutional buyers" (as defined in Rule 144A under the Securities Act) in compliance with Rule 144A under the Securities Act. 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 Securities Act provided by Rule 144A thereunder. Outside the United States, the offering is being made in reliance on Regulation S under the Securities Act. See "Notice to Investors" and "Transfer Restrictions" for additional information about eligible offerees and transfer restrictions.

Issue price for the Notes: 100.000%

plus accrued interest, if any, from the issue date.

Delivery of the Notes in book-entry form through Euroclear Bank SA/NV ("Euroclear") and Clearstream Banking, S.A. ("Clearstream"), was made on February 10, 2022.

Global Coordinators and Joint Bookrunners

Crédit Agricole CIB | **BNP PARIBAS** | **Deutsche Bank**

Joint Bookrunners

Barclays | **BofA Securities** | **CIC Market Solutions** | **J.P. Morgan** | **Natixis** | **Société Générale**

The date of this listing prospectus is March 11, 2022.

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This listing prospectus may only be used where it is legal to sell these Notes and may only be used for the purposes for which it has been published. The information in this listing prospectus may only be accurate on the date of this listing prospectus.

NOTICE TO INVESTORS

Unless the context otherwise requires, references in this listing prospectus to "we," "our," "us" and the "Group" refer collectively to the Issuer and its direct and indirect subsidiaries. Certain definitions and technical terms used in this listing prospectus are defined in the section entitled "*Certain Definitions.*"

We are relying on an exemption from registration under the Securities Act for offers and sales of securities that do not involve a public offering. By purchasing the Securities, you will be deemed to have made the acknowledgments, representations, warranties and agreements described under "*Notice to Investors*" in this listing prospectus. You should understand that you may be required to bear the financial risks of your investment for an indefinite period of time.

We have prepared this listing prospectus solely for use in connection with the offer of the Securities (a) within the United States to qualified institutional buyers ("QIBs") in reliance on Rule 144A under the Securities Act ("Rule 144A") and (b) to certain non-U.S. persons in offshore transactions outside the United States in reliance on Regulation S under the Securities Act ("Regulation S") other than to retail investors in the European Economic Area or in the United Kingdom. We have not authorized its use for any other purpose. This listing prospectus may not be copied or reproduced in whole or in part. You may not distribute this listing prospectus to any person, other than a person retained to advise you in connection with the purchase of the Securities. Delivery of this listing prospectus to anyone other than such prospective investors is unauthorized, and any reproduction of this listing prospectus, in whole or in part, is prohibited. By accepting delivery of this listing prospectus, you agree to these restrictions. See "*Notice to Investors*."

This listing prospectus is based on information provided by us and by other sources that we believe are reliable. We cannot assure you that information included herein is accurate or complete. No representation or warranty, expressed or implied, is made by the initial purchasers, the Trustee, the Security Agent, the Paying Agent, the Transfer Agent, or the Registrar as to the accuracy or completeness of any 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, whether as to the past or the future. This listing prospectus summarizes certain documents and other information and we refer you to them for a more complete understanding of the discussions in this listing prospectus. We will make copies of certain documents available to you upon request. In making an investment decision, you must rely on your own examination of our Group, the terms of the Offering and the Securities, including the merits and risks involved.

We are not making any representation to any purchaser of the Securities regarding the legality of an investment in the Securities by such purchaser under any legal investment or similar laws or regulations. You should not consider any information in this listing prospectus to be legal, business or tax advice. You should consult your own attorney, business advisor and tax advisor for legal, business and tax advice regarding an investment in the Securities.

We reserve the right to withdraw this offering of the Securities at any time, and we and the initial purchasers reserve the right to reject any commitment to subscribe for the Securities in whole or in part and to allot to any prospective purchaser less than the full amount of Securities sought by such purchaser. The initial purchasers and certain related entities may acquire for their own account a portion of the Securities. See "*Plan of Distribution*."

You must comply with all applicable laws and regulations in force in any applicable jurisdiction and you must obtain any consent, approval or permission required by you for the purchase, offer or sale of the Securities under the laws and regulations in force in the jurisdiction to which you are subject or in which you make such purchase, offer or sale, and neither we nor the initial purchasers will have any responsibility therefor.

This listing prospectus is not an offer to sell, or a solicitation of an offer to buy, any Securities by any person in any jurisdiction in which it is unlawful for such person to make such an offering or solicitation. No action has been, or will be, taken to permit a public offering in any jurisdiction where action would be required for that purpose.

Neither the U.S. Securities and Exchange Commission (the "SEC"), or any state securities commission, nor any other regulatory authority has approved or disapproved these securities nor have any of the foregoing authorities passed upon or endorsed the merits of this offering or the accuracy or adequacy of this listing prospectus. Any representation to the contrary is a criminal offence.

The Issuer accepts responsibility for the information contained in this listing prospectus. To the best of our knowledge and having taken all reasonable care, 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.

The Notes will be available initially only in book-entry form. We expect that the Notes sold pursuant to this listing prospectus will be issued in the form of a global note, which will be deposited with, or on behalf of a common depositary for Euroclear and Clearstream and registered in the name of the nominee of the common depositary for the accounts of Euroclear and Clearstream. Beneficial interests in the global note will be shown on, and transfers of beneficial interests in the global note will be effected only through, records maintained by Euroclear and Clearstream and their direct and indirect participants, as applicable. After the initial issuance of the global note, Notes in certificated form will be issued in exchange for the global note only as set forth in the Indenture. See "*Book-Entry, Delivery and Form*."

We have accurately reproduced the information and data from third-party sources under the heading "*Book-Entry, Delivery and Form*" and, as far as we are aware and able to ascertain third-party sources, no facts have been omitted which would render the reproduced information inaccurate or misleading. While we accept such responsibility for accurately summarizing such information, we accept no further responsibility in respect of such information. The information set out 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 we accept responsibility for accurately summarizing the information concerning Euroclear and Clearstream, we accept no further responsibility in respect of such information.

We have applied to have the Notes listed on the Official List of the Luxembourg Stock Exchange and to admit them for trading on the Euro MTF Market thereof. We may be required (under applicable law, rules, regulations or guidance applicable to the listing of securities or otherwise) to make certain changes or additions to or deletions from the description of our business, financial statements and other information contained in this listing prospectus in producing listing particulars for such listing. Comments by the competent authority may require significant modification or reformulation of information contained in this listing prospectus or may require the inclusion of additional information in the listing particulars. We may also be required to update the information in this listing prospectus to reflect changes in our business, financial condition or results of operations and prospects since the publication of this listing prospectus. We cannot guarantee that such application for the admission of the Notes to listing on the Official List of the Luxembourg Stock Exchange and to trading on the Euro MTF Market thereof will be approved as of the settlement date for the Notes or at any time thereafter, and settlement of the Notes is not conditioned on obtaining this listing. Following the listing, the relevant listing particulars will be available at the offices of the Listing Agent (as identified herein).

The Notes are subject to restrictions on transferability and resale and may not be transferred or resold except as permitted under the Securities Act and applicable securities laws of any other jurisdiction pursuant to registration or exemption therefrom. Prospective purchasers should be aware that they may be required to bear the financial risks of this investment for an indefinite period of time. See "*Notice to Investors*."

In connection with the Offering, any initial purchasers established in the European Economic Area or in the United Kingdom are not acting for anyone other than the Issuer and will not be responsible to anyone other than the Issuer for providing the protections afforded to their clients nor for providing advice in relation to the offering.

STABILIZATION

IN CONNECTION WITH THIS OFFERING, CREDIT AGRICOLE CORPORATE AND INVESTMENT BANK (THE “STABILIZING MANAGER”) OR ONE OR MORE OF ITS AFFILIATES (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 DURING THE STABILIZATION PERIOD AT A LEVEL HIGHER THAN THAT WHICH MIGHT OTHERWISE PREVAIL. HOWEVER, STABILIZATION MAY NOT NECESSARILY OCCUR. 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 CEASE AT ANY TIME, BUT MUST END NO LATER THAN 30 CALENDAR DAYS AFTER THE DATE ON WHICH THE ISSUER RECEIVED THE PROCEEDS OF THE ISSUE, OR NO LATER THAN 60 CALENDAR DAYS AFTER THE DATE OF ALLOTMENT OF THE NOTES, WHICHEVER IS THE EARLIER. ANY STABILIZATION ACTION OR OVER ALLOTMENT MUST BE CONDUCTED BY THE STABILIZING MANAGER (OR PERSON ACTING ON BEHALF OF THE STABILIZING MANAGER) IN ACCORDANCE WITH ALL APPLICABLE LAWS AND REGULATIONS AND WILL BE UNDERTAKEN AT THE OFFICES OF THE STABILIZING MANAGER (OR PERSONS ACTING ON THEIR BEHALF) AND ON THE EURO MTF OR OVER THE COUNTER MARKET.

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 Securities that does not involve a public offering.

Each purchaser of the Securities will be deemed to have made the representations, warranties and acknowledgements that are described in this listing prospectus under “*Notice to Investors*.”

THE SECURITIES HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT AND MAY NOT BE OFFERED OR SOLD IN THE UNITED STATES UNLESS THE SECURITIES 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 Securities 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 SECURITIES 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 SECURITIES 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 Article 2 of 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.

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 (for the purposes of this paragraph, 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 UNITED KINGDOM INVESTORS

This document has not been approved by an authorized person in the United Kingdom 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 United Kingdom, or (iv) are persons to whom an invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000 ("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 SECURITIES 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 United Kingdom ("UK") will be made pursuant to an exemption under Regulation (EU) 2017/1129 as it forms part of domestic law in the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 (the "UK Prospectus Regulation") and the FSMA 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 Insurance Distribution Directive, 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.

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 SECURITIES.

AVAILABLE INFORMATION

Each purchaser of Notes from the initial purchasers will be furnished with a copy of this listing prospectus and, to the extent provided to the initial purchasers by us, any related amendment or supplement to this listing prospectus. So long as any Notes are outstanding and are "restricted securities" within the meaning of Rule 144 under the Securities Act, we will, upon request, furnish to any holder or beneficial owner of the Notes the information required to be delivered pursuant to Rule 144A(d)(4) under the Securities Act to permit compliance with Rule 144A in connection with resales of the Notes if, at the time of the request, we are neither a reporting company under Section 13 or 15(d) of the U.S. Securities Exchange Act of 1934, as amended (the "Exchange Act"), nor exempt from reporting pursuant to Rule 12g 3-2(b) thereunder. Any such request should be directed to the Company at Immeuble Le Cap, CS 40229, 8, rue Félix Pyat, 92043 Puteaux La Défense Cedex, France, Attention: Director of Finance and Administration. Telephone: +33 1 58 44 04 00.

Additionally, so long as any of the Notes are listed on the Luxembourg Stock Exchange and its rules so require, copies of these filings, this listing prospectus and other information relating to such issuance of Notes will be available in the specified offices of the listing agent in Luxembourg at the address listed on the inside of the back cover of this listing prospectus. See "*General Information*."

CERTAIN DEFINITIONS

In this listing prospectus, "we," "us," "our" and "Group" refer to Loxam S.A.S. and its consolidated subsidiaries, unless the context otherwise requires, and the "Company" and "Issuer" refer to Loxam S.A.S.

In this listing prospectus, references to "euros" or "€" are to the euro, the official currency of the European Union member states participating in the European Monetary Union, references to "$," "U.S.$" and "U.S. dollars" are to the United States dollar, the official currency of the United States, and references to "pounds sterling" or "£" are to the British pound sterling, the official currency of the United Kingdom.

In addition, unless indicated otherwise, or the context otherwise requires, references in this listing prospectus to:

- "2022 Senior Secured Notes" are to the €300 million principal amount of 3.500% senior secured notes due 2022 issued on April 4, 2017;
- "2022 Senior Secured Notes Indenture" are to the indenture governing the 2022 Senior Secured Notes issued on April 4, 2017;
- "2023 Senior Secured Notes" are to the €250 million principal amount of 3.500% senior secured notes due 2023 issued on May 3, 2016;
- "2023 Senior Secured Notes Indenture" are to the indenture governing the 2023 Senior Secured Notes;
- "2024 Senior Secured Notes" are to the €300 million principal amount of 4.250% senior secured notes due 2024 issued on April 4, 2017;
- "2024 Senior Secured Notes Indenture" are to the indenture governing the 2024 Senior Secured Notes issued on April 4, 2017;
- "2025 Senior Secured Notes" are to the €700 million principal amount of 3.25 % senior secured notes due 2025 issued on July 22, 2019;
- "2025 Senior Secured Notes Indenture" are to the indenture governing the 2025 Senior Secured Notes issued on July 22, 2019;
- "2025 Senior Subordinated Notes" are to the €250 million principal amount of 6.000% senior subordinated notes due 2025 issued on April 4, 2017;
- "2025 Senior Subordinated Notes Indenture" are to the indenture governing the Senior Subordinated Notes issued on April 4, 2017;
- "April 2019 Refinancing" are to the issuance of the 2026 Senior Secured Notes and the April 2027 Senior Subordinated Notes on April 11, 2019 and use of the proceeds therefrom to repay in full the 2021 Senior Secured Notes and the 2022 Senior Subordinated Notes;
- "April 2026 Senior Secured Notes" are to the €300 million principal amount of 2.875% senior secured notes due 2026 issued on April 11, 2019;
- "April 2026 Senior Secured Notes Indenture" are to the indenture governing the April 2026 Senior Secured Notes issued on April 11, 2019;
- "April 2027 Senior Subordinated Notes" are to the €200 million principal amount of 4.500% senior subordinated notes due 2027 issued on April 11, 2019;
- "April 2027 Senior Subordinated Notes Indenture" are to the indenture governing the April 2027 Senior Subordinated Notes issued on April 11, 2019;
- "Auditors" are to our statutory auditors, KPMG Audit (a division of KPMG SA) and Constantin Associés (a member of Deloitte Touche Tohmatsu Limited);

- "Baltic States" are to Latvia, Lithuania and Estonia;
- "Bilateral credit facilities" are to the senior unsecured loans borrowed by us and certain of our subsidiaries under various credit lines and instruments;
- "Central Europe" are to Poland, Czech Republic and Slovakia;
- "Collateral" are to the Existing Senior Secured Collateral and any other collateral required to be granted from time to time (as described in "*Description of Certain Financing Arrangements—Revolving Credit Facility Agreement—Agreed Security Principles*") securing the Notes and the Existing Notes and, as from the Super Senior Conversion Date, securing the facilities under the Revolving Credit Facility Agreement;
- "Constant exchange rates" are to calculations of financial measures applying the prior year's exchange rates to the most recent period being compared, in order to neutralize the impact of foreign currency translation to the euro;
- "Constant perimeter" are to calculations of financial measures that eliminate the impact of results (or losses) generated by businesses which were acquired during the two consecutive financial periods being compared in order to neutralize the impact of acquisitions. See "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Factors Affecting Comparability of Results*";
- "Degraus" are to Degraus Andaimes, Maquinas e Equipamentos Para Construção Civil S.A., a Brazilian equipment rental company in which we have a 50.1% stake following share capital purchases in April 2016 and October and December 2017;
- "EBITDA" are to profit from ordinary operations plus depreciation and amortization of fixed assets;
- "EBITDA margin" are to EBITDA divided by revenue for the corresponding period;
- "ERA" are to the European Rental Association;
- "Existing Indentures" are to the Existing Senior Secured Notes Indentures and the Senior Subordinated Notes Indentures;
- "Existing Notes" are to the Existing Senior Secured Notes and the Senior Subordinated Notes;
- "Existing Senior Secured Collateral" are to our "Loxam" trademark, our shares in Lavendon and 100% of the share capital of three of our subsidiaries, Loxam Module, Loxam Power and Ramirent Ltd;
- "Existing Senior Secured Notes" are to the 2022 Senior Secured Notes, the 2023 Senior Secured Notes, the 2024 Senior Secured Notes, the 2025 Senior Secured Notes, the April 2026 Senior Secured Notes and the July 2026 Senior Secured Notes;
- "Existing Senior Secured Notes Indentures" are to the 2022 Senior Secured Notes Indenture, the 2023 Senior Secured Notes Indenture, the 2024 Senior Secured Notes Indenture, the 2025 Senior Secured Notes Indenture, the April 2026 Senior Secured Notes Indenture and the July 2026 Senior Secured Notes Indenture;
- "Free cash flow" are to EBITDA less the impact of IFRS 16, net capital expenditures, other operating income and expense (excluding non-cash operating income and expense), financial income and expense (excluding non-cash financial income and expense), taxes (excluding deferred taxes), capital gains on fleet disposals and certain other income and expenses and changes in working capital requirements. This definition is used for presentation of financial information only and does not correspond to the term Consolidated Cash Flow used in the section "*Description of the Notes*" ;
- "Gross book value" are to the total acquisition cost of the fleet equipment;

- “Gross debt” or “total debt” are to loans and debt owed to credit institutions, bonds, lease liabilities, bank overdrafts and other financial debt, plus accrued interest on debt, less capitalized debt issuance costs;
- “Guarantee” or “Guarantees” are to guarantees of the Notes;
- “Guarantor” or “Guarantors” are to any subsidiary of the Issuer providing a Guarantee of the Notes;
- “Hune Group” are to Hune Rental S.L., a Spanish company, and its subsidiaries Hune Locations SAS (France), Hune Aluguer Lda (Portugal) and its minority shareholding interests in Hune Specialized International Company (Saudi Arabia) and Gruas y Equipos Hune SAS (Colombia);
- “Hune Group Acquisition” are to our acquisition of Hune Group, completed on February 6, 2017 through our purchase of 100% of the share capital and voting rights of Hune Group;
- “IFRS” are to the International Financial Reporting Standards as adopted by the European Union;
- “Indenture” are to the indenture governing the Notes offered hereby to be entered into on the Issue Date;
- “Intercreditor Agreement” are to the intercreditor agreement which was dated July 23, 2014, as amended, restated or otherwise modified or varied from time to time and to which the Trustee will accede on or about the Issue Date;
- “Issue Date” are to February 10, 2022;
- “July 2026 Senior Secured Notes” are to the €450 million principal amount of 3.750% senior secured notes due 2027 issued on July 22, 2019;
- “July 2026 Senior Secured Notes Indenture” are to the indenture governing the July 2026 Senior Secured Notes issued on July 22, 2019;
- “July 2027 Senior Subordinated Notes” are to the €250 million principal amount of 5.75% senior subordinated notes due 2027 issued on July 22, 2019;
- “July 2027 Senior Subordinated Notes Indenture” are to the indenture governing the July 2027 Senior Subordinated Notes issued on July 22, 2019;
- “Lavendon” are to Lavendon Group Limited, formerly known as Lavendon Group plc;
- “Lavendon Acquisition” are to our acquisition of Lavendon Group plc in February 2017;
- “Loxam Module” are to Loxam Module S.A.S., a subsidiary of the Company organized and existing in France and a guarantor of the Existing Senior Secured Notes and the Notes;
- “Nationwide Intercreditor Agreement” are to the English law governed intercreditor agreement dated December 17, 2018 entered into between Nationwide Platforms Limited as the Company, HSBC Bank Plc as Initial Senior Agent and HSBC Corporate Trustee Company (UK) Limited as Security Agent;
- “Nationwide Platforms” are to Nationwide Platforms Limited, a subsidiary of the Company organized and existing in the United Kingdom and a guarantor of the Existing Notes and the Notes;
- “Nationwide Revolving Facility” are to the £120 million revolving facility provided by the Nationwide Revolving Facility Agreement;
- “Nationwide Revolving Facility Agreement” are to the £120 million revolving facility agreement originally dated December 17, 2018 by, among others, Nationwide Platforms Limited and HSBC Equipment Finance (UK) Limited, as amended and restated on December 13, 2019 and November 22, 2021, and as may be amended and/or amended and restated from time to time;

- "Net book value" are to the total acquisition cost of the fleet equipment less the accumulated depreciation of such equipment;

- "Net capital expenditures" are to capital expenditures net of disposals of fixed assets (excluding right-of-use of leased assets);

- "Net debt" are to gross debt less cash and cash equivalents (cash plus marketable investment securities);

- "Net fleet capital expenditures" are to the net amount of purchases of rental equipment less proceeds from disposals of rental equipment;

- "Notes" are to the €350,000,000 in aggregate principal amount of 4.500% senior secured notes due 2027 offered hereby;

- "Nove" are to No.Ve. S.r.l, an Italian company acquired by the Group in 2018;

- "Organic" are to changes in revenue for the period indicated compared to the prior comparable period, excluding changes in the scope of consolidation;

- "PGEs" are to the loans guaranteed by the French State entered into by Loxam with different banks for an aggregate principal amount of €230.0 million on May 11, 2020, as described under "*Description of Certain Financing Arrangements*";

- "Ramirent" are to Ramirent Ltd, a company incorporated in Finland, and its consolidated subsidiaries;

- "Ramirent Acquisition" are to our acquisition of 100% of the outstanding shares of Ramirent Ltd (formerly Ramirent Plc) completed on December 20, 2019;

- "Revolving Credit Facility" are to the €345 million revolving credit facility and any incremental facility that may be provided by the Revolving Credit Facility Agreement;

- "Revolving Credit Facility Agreement" are to the €345 million revolving credit facility agreement dated July 29, 2021 by, among others, the Company and Natixis as agent and security agent;

- "Revolving Credit Facility Collateral", until the Super Senior Conversion Date, are to the collateral granted to secure the Revolving Credit Facility pursuant to the French law framework "*Dailly*" receivables security assignment agreement, the French law framework equipment pledge agreement and the French law bank account pledge agreement entered into on July 29, 2021 as described in "*Description of Certain Financing Arrangements—Revolving Credit Facility Agreement—Security*";

- "Replacement value" are to the estimated replacement cost of the rental fleet based on the price of equipment assumed for purposes of preparing our internal budget as of the date indicated;

- "Security Agent" are, as the context requires, either to Natixis as security agent under the Revolving Credit Facility Agreement or to Wilmington Trust (London) Limited as security agent under the Existing Senior Secured Notes Indentures and the Indenture (or in each case any successor thereto from time to time);

- "Senior Subordinated Notes" are to the 2025 Senior Subordinated Notes, the April 2027 Senior Subordinated Notes and the July 2027 Senior Subordinated Notes;

- "Senior Subordinated Notes Indentures" are to the 2025 Senior Subordinated Notes Indenture, the April 2027 Senior Subordinated Notes Indenture and the July 2027 Senior Subordinated Notes Indenture;

- "Stavdal Acquisition" are to Ramirent's acquisition of Stavdal AB, which closed on July 1, 2019;

- "Super Senior Conversion Date" are to the date on which conditions have been satisfied under the Revolving Credit Facility Agreement pursuant to which our obligations under the Revolving Credit Facility will benefit from the same guarantees as the Notes and the Revolving Credit Facility will be secured by security interests granted over the same collateral that secures the Notes (excluding, for the avoidance of doubt, the Revolving Credit Facility Collateral). See "*Description of Certain Financing Arrangements*" and "*Description of the Notes*";

- "Super Senior Intercreditor Agreement" are to the new intercreditor agreement into which we will enter on the Super Senior Conversion Date, pursuant to which the lenders under the Revolving Credit Facility and the counterparties to certain hedging obligations will receive priority over the holders of the Notes to the proceeds from the collateral also securing the Notes in the event of any enforcement. See "*Description of Certain Financing Arrangements*" and "*Description of the Notes*";

- "Transactions" are to (a) the issuance of the Notes offered hereby and the use of proceeds therefrom, together with cash on hand, as described in "*Use of Proceeds*", (b) the partial redemption of the 2025 Senior Subordinated Notes in November 2021 and (c) the Issuer's share capital reduction in November 2021;

- "Trustee" are to Wilmington Trust, National Association as trustee to the Notes offered hereby; and

- "Utilization rate" are to the number of days that our equipment is actually rented in a given period divided by the number of business days in such period, weighted on the basis of our reference rental value of the equipment.

This listing prospectus contains references to some of our owned or licensed trademarks, trade names and service marks, which we refer to as our brands. All of the product names and logos included in this listing prospectus are either registered trademarks of ours or of our licensors.

PRESENTATION OF FINANCIAL AND OTHER INFORMATION

Financial Information

Our audited financial statements as of and for the years ended December 31, 2018, 2019 and 2020, an English language translation of which is included in this listing prospectus, were prepared in accordance with IFRS as adopted by the European Union. Our financial statements have been audited by our statutory auditors, KPMG Audit, a division of KPMG S.A., and Constantin Associés (a member of Deloitte Touche Tohmatsu Limited) (together, our "Auditors"). A free English language translation of their audit reports thereon is included elsewhere in this listing prospectus. Each of the Guarantors are wihin the scope of our condensed consolidated financial statements.

Our unaudited condensed consolidated interim financial statements as of and for the nine months ended September 30, 2021, with unaudited comparable information for the period ended September 30, 2020, were prepared in accordance with IAS 34 – standard of the IFRSs as adopted by the European Union applicable to interim financial reporting. A free English language translation of the unaudited condensed consolidated interim financial statements is included elsewhere in this listing prospectus, together with a free English language translation of the review report (*examen limité*) thereon from our Auditors.

Financial information for the twelve months ended September 30, 2021 has been calculated by adding together the unaudited condensed consolidated interim financial information for the nine months ended September 30, 2021 to the audited consolidated financial information for the year ended December 31, 2020 extracted from our audited financial statements as of and for the year ended December 31, 2020, and subtracting the unaudited condensed consolidated interim financial information for the nine months ended September 30, 2020. The unaudited financial information for the twelve months ended September 30, 2021 has been prepared solely for the purposes of this listing prospectus, is not necessarily indicative of our results of operations for the full year ended December 31, 2021 or for any future period, is not prepared in our ordinary course of business, and has not been prepared in accordance with the requirements of Regulation S-X under the Securities Act, the Prospectus Regulation or any generally accepted accounting standards.

Non-IFRS Financial Measures

This listing prospectus contains measures and ratios of Loxam that do not comply with IFRS, including EBITDA, EBITDA margin, free cash flow, recurring free cash flow, net capital expenditures, net debt, net fleet capital expenditures and constant perimeter information. We present these non-IFRS measures because we believe that they and similar measures are widely used by certain investors as supplemental measures of performance and liquidity. These non-IFRS measures may not be comparable to other similarly titled measures of other companies and may have limitations as analytical tools.

Non-IFRS measures and ratios such as EBITDA, free cash flow and net debt are not measurements of our performance or liquidity under IFRS and should not be considered to be alternatives to operating income or any other performance measures derived in accordance with IFRS. Furthermore, they should not be considered to be alternatives to cash flows from operating, investing or financing activities as a measure of our liquidity as derived in accordance with IFRS.

Rounding adjustments have been made in calculating some of the financial and other information included in this listing prospectus. As a result, figures shown as totals in some tables may not be exact arithmetic aggregations of the figures that precede them.

Revenue and EBITDA by Business Division

We present revenue and EBITDA by division in this listing prospectus.

Through the year ended December 31, 2020, we presented our results in three divisions: Generalist France, Specialist France and International. To present the revenue of Generalist France and Specialist France, we allocated revenue by branch. Where revenue was related to events-related rentals handled by Loxam Event, which is not in a particular division, we allocated revenue to the branch whose equipment was rented. To present the EBITDA of Generalist France and Specialist France, we allocated rebates pro rata based on revenue, which was accounted for centrally, and then allocated direct expenses (which represent a majority of expenses) directly to a given branch. Indirect expenses were allocated centrally or regionally and were then allocated to a given branch according to a factor that was based on that branch's revenue, the gross value of its equipment or the rental value of its equipment. These allocations were done in our management accounts and were not reviewed or audited by our statutory auditors and therefore investors should not place undue reliance on revenue and EBITDA presented by division.

Since January 1, 2021, our results have been presented under a new geographical breakdown composed of three divisions: France (comprising both our generalist and specialist rental operations in France), Nordic Countries (comprising of our businesses in Denmark, Norway, Sweden and Finland) and Rest of the World (including all other countries where we operate).

See "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Results of Operations—Consolidated Condensed Income Statement Data*."

Pro Forma Financial Information

On June 1, 2021, Loxam Denmark acquired JM Trykluft A/S ("JM Trykluft"), a general equipment rental player in Jutland. In addition, on June 10, 2021, Ramirent Sweden acquired Maskinslussen AB ("Maskinslussen"), a leading general equipment rental player in the Västra Götaland county (western part of Sweden). Both entities have been consolidated into our consolidated financial statements since June 1, 2021 and as a result our consolidated financial statements for the nine months ended September 30, 2021 include four months of activity for these entities. In this listing prospectus, we present *pro forma* revenue and *pro forma* EBITDA for the twelve months ended September 30, 2021 (the "Pro Forma Financial Information"), which include the estimated additional contribution to our revenue and EBITDA, respectively, of JM Trykluft and Maskinslussen, as if each had been acquired on October 1, 2020. The Pro Forma Financial Information has been prepared for illustrative purposes only and does not purport to represent what our actual revenue or EBITDA would have been if the acquisitions of JM Trykluft and Maskinslussen had occurred on October 1, 2020, nor does it purport to be indicative of our future results of operations. The Pro Forma Financial Information is based on available information and certain assumptions and estimates that we believe are reasonable and may differ materially from the actual amounts that would have been achieved had the acquisitions of JM Trykluft and Maskinslussen occurred on October 1, 2020. The Pro Forma Financial Information has not been reviewed by our Auditors, has not been prepared in accordance with Article 11 of Regulation S-X under the Securities Act or any generally accepted accounting standards and therefore investors should not place any undue reliance on it.

New Standards and Interpretations

IFRS 16

On October 31, 2017, the European Union published IFRS 16 standard "Leases" in the Official Journal, which replaces the IAS 17 standard and the associated IFRIC and IFRS IC interpretations and removes the distinction previously made between simple leases and finance leases for the lessee. According to IFRS 16, a lessee employs a right-of-use asset and a financial debt representing the rental obligation. Right-of-use assets are amortized and the rental obligation is initially valued at the present value of lease payments during the lease, at the interest rate implicit in the lease if the rate can be readily determined, or the incremental borrowing rates. However, this standard is very close to the existing standard for the treatment of leases by the lessor.

Loxam began applying IFRS 16 on January 1, 2019 using the modified retrospective method and as a result, Loxam did not restate its financial statements as of and for the year ended December 31, 2018 to give effect to the application of IFRS 16. Therefore, the financial information presented in this listing prospectus as of and for the year ended December 31, 2018 is not directly comparable with the financial information presented for subsequent periods.

In Loxam's audited consolidated financial statements as of and for the year ended December 31, 2020, comparative information as of and for the year ended December 31, 2019 was restated to give effect to the application of the definitive decision of the IFRS IC concerning the assessment of lease terms for leases renewable by tacit agreement. The IFRS IC confirmed that the non-cancellable period must be determined, taking an economic view as well as assessing the lease's legal characteristics. The leases concerned are mainly property leases. The IFRS IC also confirmed that the amortization period for non-removable leasehold improvements must not exceed the lease term. A similar restatement was made in Loxam's unaudited condensed consolidated interim financial statements as of and for the nine months ended September 30, 2021 with respect to the comparative information included therein for the nine months ended September 30, 2020. For further detail on the impact of this application, see Note 26 to the Group's audited consolidated financial statements as of and for the year ended December 31, 2020 and Note 24 to the Group's unaudited condensed consolidated interim financial statements as of and for the nine months ended September 30, 2021 included in this listing prospectus. For ease of review, we present restated financial information as of and for the year ended December 31, 2019 and the nine months ended September 30, 2020 in this listing prospectus.

IAS 38 Intangible Assets

In March 2021, the IFRS Interpretations Committee published a decision to clarify how to analyze cloud computing arrangements and determine whether the customer receives a software asset or a service over the contract term.

Under the guidance in IAS 38, an intangible asset is an identifiable non-monetary asset without physical substance controlled by the entity. Control is determined as the power to obtain future economic benefits flowing from the intangible asset and to restrict other's access to those benefits.

In cloud computing arrangements, when the customer obtains control of the software asset (including when the cloud vendor subcontracts services to a third party), the customer recognizes an intangible asset and capitalizes the directly attributable implementation costs of preparing the software for its intended use (i.e. testing, data migration, training, customization or configuration). When the customer does not obtain the control of the software asset, the cloud computing arrangement is a service received over the contract term and implementation costs need to be expensed as incurred.

We are reviewing our cloud computing contracts to assess whether our current accounting policy remains appropriate. We do not foresee any change in our current accounting policy that would have a material impact on our consolidated financial statements as of and for the year ended December 31, 2021.

IAS 19 Employee Benefits

In May 2021, the IFRS Interpretations Committee published a decision endorsed by the IASB in June 2021 relating to the attribution of benefits to periods of service by beneficiaries of post-employment benefit plans. This decision has an impact on the valuation method of French post-employment benefit plans. We will apply this decision for our consolidated financial statements as of and for the year ended December 31, 2021 and will not restate financial statements for any prior period.

Use of Industry and Market Data in this Listing prospectus

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 believed to be reliable, but that the accuracy and completeness of such information is not guaranteed. We have not independently verified such data.

We use a combination of data provided by the European Rental Association ("ERA"), Euroconstruct and IHS Markit, among others.

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, 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 we nor the initial purchasers have verified that data independently. We 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 we 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 "*Forward-Looking Statements*" and "*Risk Factors.*"

Other Information in this Listing prospectus

Certain information provided in this listing prospectus has been sourced from third parties. We confirm that such third-party information has been accurately reproduced and that, so far as we are aware and are able to ascertain from information published by such third parties, no facts have been omitted which would render the third-party information reproduced herein inaccurate or misleading.

The information set out 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 any change or reinterpretation of the rules, regulations and procedures of Euroclear or Clearstream currently in effect. While we accept responsibility for accurately summarizing the information concerning Euroclear and Clearstream, we accept no further responsibility in respect of such information. In addition, this listing prospectus contains summaries believed to be accurate with respect to certain documents, but reference is made to the actual documents for complete information. All such summaries are qualified in their entirety by such reference. Copies of documents referred to herein will be made available to prospective investors upon request.

FORWARD-LOOKING STATEMENTS

This listing prospectus includes "forward-looking statements" within the meaning of the U.S. federal securities laws, which involve risks and uncertainties, including, without limitation, certain statements regarding management's expectations as to our expectations regarding our business, growth, future financial condition, results of operations and prospects and other statements made in the sections entitled "*Summary*," "*Business*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*." You can identify forward-looking statements because they contain words such as "believe," "expect," "may," "should," "seek," "intend," "plan," "estimate," or "anticipate" or similar expressions that relate to our strategy, plans or intentions. These forward-looking statements are subject to risks and uncertainties that may change at any time, and, therefore, our actual results may differ materially from those that we expected. We have based these forward-looking statements on our current views and assumptions about future events. While we believe that our assumptions are reasonable, we caution that it is very difficult to predict the impact of known factors, and, of course, it is impossible for us to anticipate all factors that could affect our actual results. We cannot assure you that future results will be achieved. All forward-looking statements are based upon information available to us on the date of this listing prospectus.

Important factors that could cause actual results to differ materially from our expectations ("cautionary statements") are disclosed under "*Risk Factors*" and elsewhere in this listing prospectus, including, without limitation, in conjunction with the forward-looking statements included in this listing prospectus. All forward-looking information in this listing prospectus and subsequent written and oral forward-looking statements attributable to us, or persons acting on our behalf, are expressly qualified in their entirety by the cautionary statements. Some of the factors that we believe could affect our actual results include:

- fluctuations in the demand for the Company's equipment due to the cyclical nature of the industries in which it operates and according to general economic conditions;
- the effects of competition;
- increases in the cost of equipment for our rental fleet;
- risks related to a regional or global health pandemic, including the COVID-19 outbreak;
- unfavorable conditions or disruptions in the capital and credit markets;
- our ability to obtain additional capital as required;
- fluctuation in revenue and operating results;
- our ability to forecast trends accurately;
- execution of our organic and external growth strategy, including our ability to achieve the targeted benefits from significant acquisitions;
- the loss of core senior management or other key personnel;
- our ability to collect amounts due from customers;
- our dependence on equipment manufacturers to obtain adequate rental equipment on a timely basis;
- increases in the cost of maintaining and repairing our rental fleet;
- residual value risk upon disposition of fleet equipment;
- disruptions in our information technology system or the implementation of new platforms;
- exposure to risks related to legal proceeds or claims that may exceed the level of our insurance coverage;
- effects of labor disputes;
- exposure to risks inherent in international business;

- changes in tax laws;
- damage to our reputation and our brand;
- compliance with laws and regulations, including those relating to environmental, health, safety, tax and anti-corruption matters;
- our significant amount of outstanding debt and our ability to incur substantially more debt in the future;
- the restrictive covenants in our debt agreements;
- our ability to generate the cash required to service our indebtedness;
- our success at managing the foregoing risks; and
- other risks and uncertainties described in this listing prospectus.

We undertake no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. We caution you that the foregoing list of important factors may not contain all of the material factors that are important to our business. In addition, in light of these risks, uncertainties and assumptions, the forward-looking events discussed in this listing prospectus might not occur. When considering forward-looking statements, you should keep in mind the risk factors and other cautionary statements included in this listing prospectus, including those described in the section entitled "*Risk Factors*."

EXCHANGE RATE INFORMATION

The following table sets forth, for the periods set forth below, the high, low, average and period end Bloomberg Composite Rate (London) expressed as U.S. dollars per €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. We provide the exchange rates below solely for your convenience. We do not represent that euros were, could have been, or could be, converted into U.S. dollars at these rates or at any other rate. The rates may differ from the actual rates used in the preparation of the consolidated financial statements and other financial information appearing in this listing prospectus.

	U.S. dollar/Euro			
	Period End	**Average rate**(1)	**High**	**Low**
Month				
February 2022	1.1205	1.1346	1.1465	1.1167
January 2022	1.1219	1.1323	1.1461	1.1139
December 2021	1.1386	1.1306	1.1386	1.1244
November 2021	1.1311	1.1407	1.1594	1.1196
October 2021	1.1539	1.1597	1.1678	1.1528
September 2021	1.1571	1.1769	1.1890	1.1571
August 2021	1.1807	1.1772	1.1870	1.1688
July 2021	1.1859	1.1823	1.1885	1.1763
June 2021	1.1849	1.2046	1.2233	1.1849
Year				
2022 (through February 28, 2022)	1.1205	1.1334/1.127 0	1.1465	1.1139
2021	1.1386	1.1795	1.2300	1.1196
2020	1.2225	1.1468	1.2289	1.0667
2019	1.1229	1.1183	1.1533	1.0903
2018	1.1452	1.1782	1.2492	1.1245
2017	1.2022	1.1391	1.2026	1.0427

(1) The average of the exchange rates on the last business day of each month during the relevant period; on each business day of the month (or portion thereof) for monthly average.

Fluctuations in exchange rates that have occurred in the past are not necessarily indicative of fluctuations in the exchange rates that may occur at any time in the future. No representations are made in this listing prospectus that the euro, pound sterling or U.S. dollar amounts referred to herein could have been or could be converted into euros, pounds sterling or U.S. dollars, as the case may be, at any particular rate.

SUMMARY

This summary highlights selected information from this listing prospectus to help you understand our business and the terms of the Notes. You should carefully read this entire listing prospectus, including the consolidated financial statements and related notes, to fully understand our business, results of operations and financial condition, and the terms of the Notes, as well as some of the other considerations that may be important to you in making your investment decision. You should pay special attention to the "Risk Factors" section of this listing prospectus to determine whether an investment in the Notes is appropriate for you.

Unless otherwise indicated or implied by the context, references in this section to "we," "our" and "us" are Loxam S.A.S. and its direct and indirect subsidiaries.

Overview

We are the leading equipment rental company in Europe and the fourth largest equipment rental company in the world, in each case based on our revenue for year ended December 31, 2020. We have operations in 30 countries on four continents with a large and well-established presence in Europe, serving the construction, industry, public works, services and events sectors. During the twelve months ended September 30, 2021, we generated €2,153.1 million in pro forma revenue and €772.9 million in pro forma EBITDA.

Our activities are conducted in three principal geographies:

- *France*, in which we had 489 branches as of September 30, 2021. In France we provide both generalist equipment for construction, industrial use, landscaping, local authorities and the service sector, as well as specialist equipment such as aerial work platforms, generators, portable accommodation and heavy equipment for civil engineering. We generated 42% of our pro forma revenue for the twelve months ended September 30, 2021 from France.

- *Nordic countries*, which consist of Denmark, Norway, Sweden and Finland. As of September 30, 2021, our network in the Nordic countries comprised 215 branches. We provide both generalist and specialist equipment in the Nordic countries primarily through our Ramirent and Loxam Access brands. We generated 31% of our pro forma revenue for the twelve months ended September 30, 2021 from the Nordic countries.

- *Rest of the world*, which includes all other international countries where we provide generalist and specialist equipment, mainly the United Kingdom, Spain, Italy, the Benelux, Germany as well as the Baltic States, the Middle East, Brazil, Colombia and Morocco. As of September 30, 2021, we had a network of 360 branches in these countries and our business in these countries generated 27% of our pro forma revenue for the twelve months ended September 30, 2021.

We rent approximately 2,000 different types of equipment and tools in our fleet (excluding accessories), which consisted of approximately 650,000 pieces (excluding accessories) with a gross book value of €4.5 billion as of September 30, 2021. Our generalist offering is focused on equipment principally used in construction and civil engineering projects. These projects encompass a wide range of activities, including new buildings in the residential, industrial, commercial and governmental sectors, renovation, utilities, roadwork and infrastructure. Our specialist equipment offerings serve specific client needs in terms of performance (such as power or reach) or quantity of equipment and can include aerial work platforms, generators, portable accommodation and heavy equipment for civil engineering.

We also provide services such as transportation, refueling, damage waiver and retail consumable products to complement and support our rental business. Over the course of the year ended December 31, 2020, we provided these services for approximately 536,000 customer accounts through our various brands such as Loxam Rental, Ramirent, LoxamHune and Nationwide Platforms. As of September 30, 2021, we had 1,027 European branches, more than any other rental network in Europe.

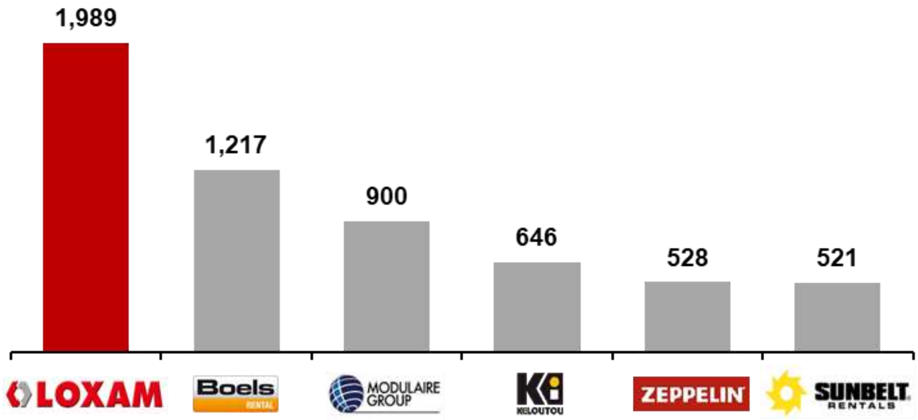
Competitive Strengths

We believe that the following competitive strengths have been instrumental in our success and will drive our future growth:

Undisputed leader in pan-European equipment rental market with positive growth outlook

Following the Ramirent Acquisition in 2019, we became the undisputed leader in the European equipment rental market. We continue to hold this position based on our revenue for the twelve months ended September 30, 2021. We also had an unmatched network of 1,027 branches across 21 European countries as of September 30, 2021. Based on our revenue for the year ended December 31, 2020, we estimate that we had market-leading positions in eight key European markets (France, the United Kingdom (for the powered access market), Spain, Norway, Sweden and Finland), and based our revenue for the year ended December 31, 2019, which was most recent period for which comparative information was available, we estimated that we had market-leading positions in Central Europe and the Baltic States. We also estimate we were the second-largest player in Denmark (based on our revenue for the year ended December 31, 2020), the Netherlands and Belgium (based on our revenue for the year ended December 31, 2019) and Italy (for the powered access market, based on revenue for the year ended December 31, 2020).

The chart below shows our leadership position based on our revenue for the year ended December 31, 2020, among European equipment rental providers, in millions of euros.



We have established our leadership in the European market through developing and expanding our network, both organically and through a series of successful acquisitions. Both Loxam and Ramirent have strong brand recognition epitomizing our high quality of service, dense network and large, high quality fleets. Our fleet totaled approximately 650,000 pieces of equipment, which is the largest in the European market based on its gross book value of €4.5 billion as of September 30, 2021.

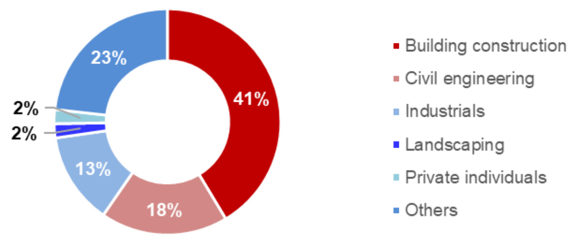
Despite the contraction experienced in 2020 due to the COVID-19 pandemic, we believe that we will benefit from strong fundamental market drivers supporting long-term growth prospects for the equipment rental markets, due to a structural shift towards equipment rental in lieu of ownership. The European Rental Association ("ERA") estimates that the European rental market grew by 4.4% in 2018 and 4.1% in 2019. Despite a drop of 7.2% in 2020, the ERA estimates that the market rebounded with growth of 6.3% in 2021 and will grow by 5.6% in 2022 and 5.7% in 2023. In France, our largest market, the rental market had an estimated value of €3.6 billion in 2020 and €4.0 billion 2021 according to the ERA. The French equipment rental market is expected to increase by 5.2% in 2022 and by 4.2% in 2023, according to the ERA. The UK equipment rental market decreased by 17.4% in 2020 but is estimated to have bounced back by 8.5% in 2021 and further grow by 6.0% and 7.4% in 2022 and 2023, respectively, according to the ERA. Further estimates from the ERA indicate that the equipment rental markets in Sweden, Norway, Finland and Denmark are expected to grow by 2.9%, 4.2%, 3.7% and 4.2% in 2022, respectively, and by 3.5%, 4.7%, 6.4% and 3.1% in 2023, respectively.

Our confidence in the fundamental strengths of the equipment rental industry is demonstrated by our resumption of capital expenditures to invest in our rental fleet during the second half of 2020, as well as our recent acquisitions of JM Trykluft in Denmark and Maskinslussen in Sweden. As the market leader in France and the leading European equipment rental company, we believe we are well positioned to capitalize on these positive trends. For more information on the trends impacting our markets, see "*Industry*".

Dense commercial footprint serving diversified geographic and customer end markets through an expansive fleet and high-quality customer service

We owned a fleet of approximately 650,000 pieces of equipment as of September 30, 2021 and we served approximately 536,000 customer accounts over the year ended December 31, 2020 in 30 countries. Our portfolio of clients mostly includes construction and industrial customers, from small businesses and craftsmen to large international groups, and our customers operate within different economic and construction cycles. The construction end markets represent the largest portion of our business and accounted for approximately 59% of our revenue for the twelve months ended June 30, 2021. In recent years, we have diversified the source of our revenue across industries and we now increasingly support the day-to-day activities or occasional needs of customers engaged in the broader services sector, such as events, training and facility management. As a result of these efforts, the portion of our pro forma revenue generated by non-construction end markets reached approximately 41% during the twelve months ended June 30, 2021.

The chart below shows the percentage of our revenue for the twelve months ended June 30, 2021 generated from customers in different sectors.



Our customer diversification efforts continued in the context of the COVID-19 pandemic, as we focused on attracting more small business customers through our branches or through rental corners (of which we had more than 600 across France, Germany, Spain and Belgium as of September 30, 2021). As a result, we are less dependent on the revenue generated from our top 10 customers, which accounted for approximately 11% of our revenue for the twelve months ended June 30, 2021.

We provide our customer base with access to a fleet encompassing a wide range of both generalist and specialist equipment that meets our customers' varied demands while limiting their environmental impact. We believe that we are the only rental group to provide such a range of both generalist and specialist brands on our geographic scale. Our evolving fleet allows us to act as a one-stop shop, meeting a full range of client needs for earth moving, aerial work, handling, compaction, energy, modular and building equipment. Additionally, we aim to obtain standardized equipment from our suppliers to the extent possible and in accordance with our high standards. Greater standardization of our fleet lowers maintenance costs and reduces training time for our staff while also promoting greater fleet utilization by making it easier to share spare parts between branches and transfer equipment from one branch to another.

Client service is a central element of our brand and we seek to go beyond being able to provide the equipment our clients need by providing outstanding service throughout the rental process. This is why we have developed in-house training programs to train our staff from the moment they are hired. The Loxam School near Paris, where most new recruits spend some time for an induction training, offers our employees training on sales skills and the safe use of our equipment so that our employees are able to more effectively advise our clients in their choice and use of rented equipment. We perform quarterly customer satisfaction surveys covering approximately 30,000 customers. Our Net Promoter Score, which we follow to track our customer satisfaction, was 60.4 for the year ended December 31, 2020, an increase from 37 in 2018 and 45.7 in 2019. In France, in 2021, we were recognized as the client service provider of the year in the rental equipment category by ESCDA (*Élection Service Client de l'Année*) for the fourth consecutive year. Ramirent has historically had a similarly strong commitment to customer service, which is reinforcing our existing reputation in this area.

Our dedication to client service was particularly evident in our response to the COVID-19 crisis. In each country where we are present, our teams were mobilized to ensure continuity of service despite having to close our branches to the public in order to comply with local laws, while also developing new offerings and participating in initiatives to support our communities. For example, through our newly created subsidiary Loxamed, we developed mobile screening units for COVID-19.

Proven and flexible operating model supported by superior market knowledge as well as strong fleet and network management skills

Our successful, customer-oriented business model centers on the smart management of our rental equipment fleet and our broad network of branches, which is guided by our superior knowledge of the end markets, customers and geographic regions we serve.

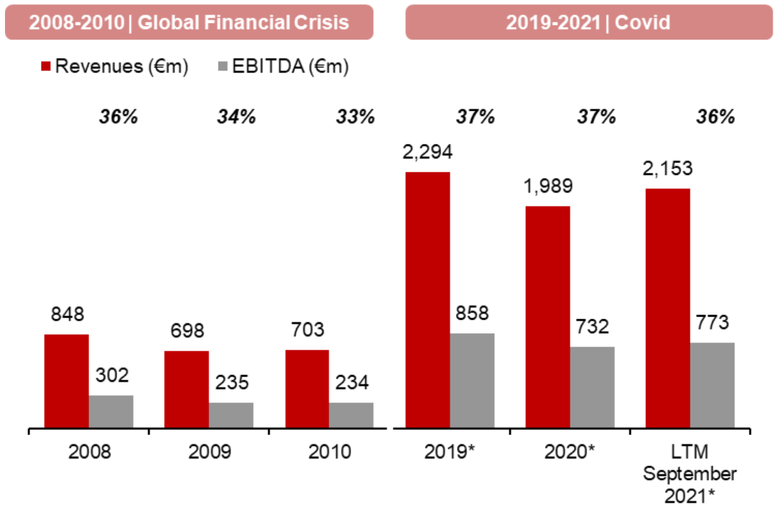
Market knowledge and experience are central to each aspect of our business model. Our branches are deeply embedded in the local markets in which they operate and we emphasize building and maintaining close relationships with clients at the local level in order to learn about, and adapt to, their changing needs as well as those of the overall construction market. We use market indicators such as GDP growth and construction activity in addition to information generated from our local branch network and strong customer relationships to predict short- and medium-term demand for our services. Our responsive business model is informed by the density of our network, particularly within France, the large number of our customers across diverse end markets and our experience of more than 50 years in the equipment rental market.

The quality and appropriate management of our fleet is a core part of meeting our customers' needs and maintaining our profitability and market leadership. We use the needs of our customers and the business cycles affecting our industry as well as our own set of key internal indicators, such as the age and utilization rates of different products in our fleet, to make strategic decisions with respect to the deployment of our fleet across our network and to the level of capital expenditure dedicated for the maintenance or expansion of our fleet. We continuously update and expand our fleet in order to meet the technical demands of our clients' operations and pursue opportunities to target new sectors.

We focus on maintaining the quality and flexibility of our overall network through close quality control of our branches, training of our employees, optimized IT systems and detailed reporting tools that allow for information sharing and internal benchmarking. We monitor the quality of our branches through regular internal and external audits. We promote the quality and dynamism of our network by providing our employees with different types of comprehensive internal training across all levels and divisions to foster the development of multiple skill sets, resulting in a more efficient and motivated workforce. We rely on several integrated enterprise resource planning ("ERP") systems that support numerous aspects of our operations. In particular, these systems provide us with immediate data to inform the deployment of assets within our network to areas where the level of demand is higher, thus maximizing our utilization rates and further reinforcing the flexibility of our business model.

Profitable track record and ability to manage business cycles through nimble cost and capital expenditure control

We believe that our ability to manage our operating costs and our fleet according to market conditions is a competitive advantage that has contributed to our historically high level of profitability. As illustrated by the below chart, we have demonstrated an ability to maintain EBITDA margins above 30% through economic cycles, due in part to our ability to quickly adapt our fixed costs to our level of business activity.

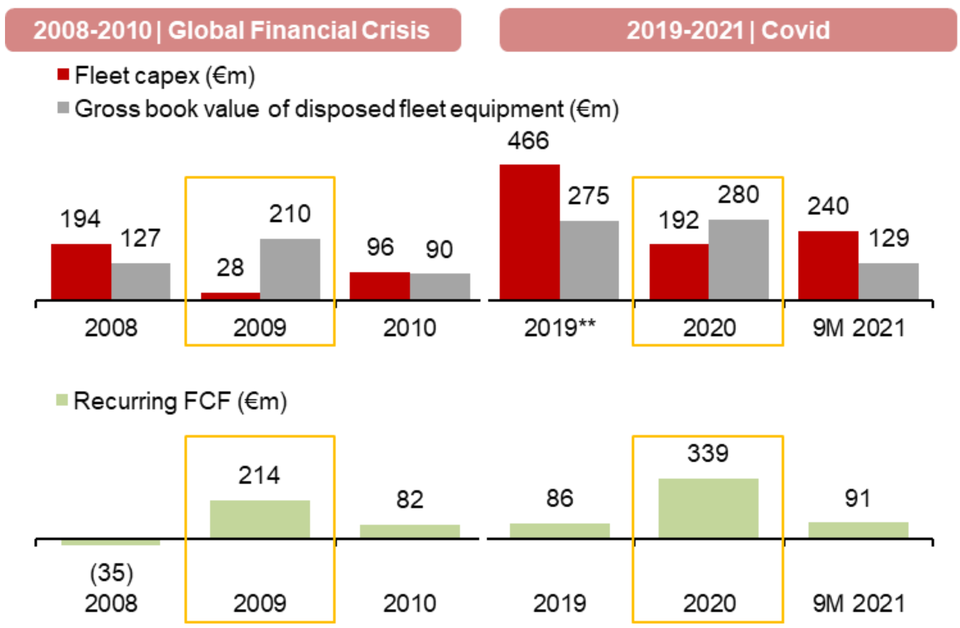


**2019: EBITDA post-IFRS 16, pro forma for the Ramirent Acquisition on a twelve-months basis, including synergies; revenue pro forma for the Ramirent Acquisition*
**2020: EBITDA post-IFRS 16, including synergies*
**LTM September 2021: revenue and EBITDA post-IFRS 16, pro forma for the JM Trykluft and Maskinslussen acquisitions on a twelve-months basis*

We believe that our EBITDA margin is among the highest of other European equipment rental providers.

We are able to efficiently manage our capital expenditure based on our market expectations. In a growth cycle, we invest in our rental fleet to enhance our product offering and expand into new products and markets. In a downturn, we can rapidly reduce capital expenditures, streamline our network and pay down debt with our cash flows. We notably were able to quickly adapt our cost base in 2020 in response to the COVID-19 pandemic, taking actions to preserve our liquidity and focusing on maintaining our existing fleet through reduced capital expenditure. Once conditions stabilized and our liquidity was ensured in the second half of 2020 and in the first half of 2021, we resumed capital expenditure.

The charts below illustrate our ability to calibrate our net capital expenditure while preserving free cash flow generation in difficult macroeconomic conditions, as we did during the global financial crisis between 2008 and 2010 and again during the COVID-19 pandemic.



*** 2019 Fleet capex pro forma for the Ramirent Acquisition on a twelve-months basis*

We have no long-term engagements in respect of capital expenditures and make investment decisions on a regular, near-term basis. As a result, we are able to quickly adjust our level of investment in the fleet to respond to the state of the market. The countercyclical nature of our cash flow generation, driven by discretionary capital expenditure requirements, contributes to the overall resilience of our business model through economic cycles.

Experienced management with superior market knowledge

Our senior management team is led by Mr. Gérard Déprez, our president, CEO and controlling shareholder who has over 30 years of experience with us. The members of our management committee have significant experience in our industry and are supported by divisional and regional managers in an organizational structure that empowers middle management and local branch managers while keeping bureaucratic processes at a minimum. We believe that our lean management structure encourages strong commitment and entrepreneurial spirit across our organization.

Our management team has proven its ability to consistently deliver strong financial performance and protect cash flow generation. In recent years, our management team has also earned distinction for its skill at expanding our business through acquisitions. Our local management teams share similar approaches and priorities, with a common focus on improving safety and diversifying our customer end markets.

A clear commitment to environmental, social and governance issues

ESG topics are at the core of our operations through a Group-level coordinated effort overseeing business unit-level initiatives. Our achievements and level of commitment in this area have been recognized by independent third parties. We monitor a number of common KPIs throughout our group and set ambitious annual targets in the domain of ESG matters.

In France, we have an ESG policy based on five key commitments:

- *Local establishment and development.* We are committed to making our widespread establishment an opportunity for local communities, through taking action to develop the local economy, offering local customer service and contributing to matters of general interest through local solidarity. For example, we provided equipment for the temporary reconstruction of certain buildings in the Roya Valley in France after unprecedented flooding devastated the region in September 2020. We also entered into a corporate patronage agreement to equip the storage center for works of art from the Notre-Dame cathedral in Paris as part of the efforts for its reconstruction following the fire it suffered in 2019.

- *Safety*. We strive to guarantee safety anytime and anywhere, through safeguarding our employees' safety, innovating to offer ever safer equipment and accompanying our customers in developing a safety culture. For example, we have invested in new delivery trucks with the latest safety innovations, such as redesigned safety ramps, a foldaway walkway with handrails, activated by hydraulic cylinders, increased flashing lights and an approach radar on the deck which is active during equipment loading.

- *Environmental protection.* We proactively take action to protect the environment, through reducing consumption of resources at our sites, optimizing our transport logistics to reduce our environmental footprint and offering customers environmentally-friendly equipment. For example, in 2020, we moved into a new, modem head office in a building that was awarded a "Very Good" rating by BREEAM for environmental efficiency.

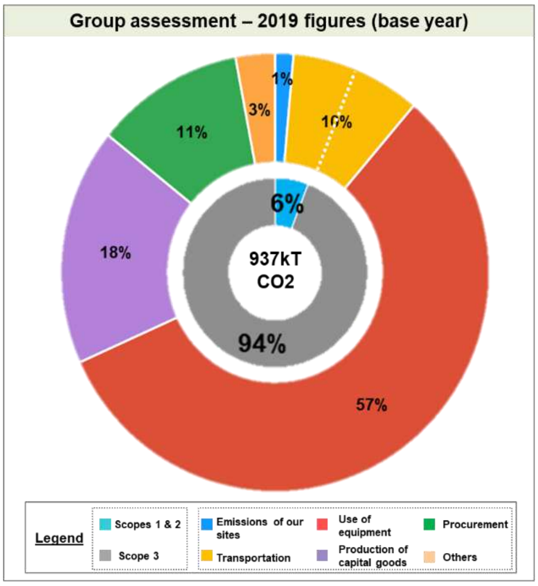
- *Employee development.* We contribute to the development of our people, through taking action to onboard and develop our talents, promoting quality of life at work and encouraging social dialogue and benefitting from the wealth offered by diversity and encouraging solidarity. This was exemplified by the manner in which we addressed the multiple challenges our workforce faced during 2020, including taking measures to protect our employees' health, preserving jobs through the use of furlough schemes where possible and providing the tools necessary to permit telecommuting.

- *Professional ethics.* We seek to lead by example with our professional ethics, through promoting our internal ethics policies and capitalizing on our relationship of trust with our suppliers to develop a responsible procurement policy. In 2020, we entered into a partnership with Ecovadis to professionalize the evaluation of and deploy a plan to gauge our suppliers' commitments to CSR matters.

Our operations outside of France reflect our group-wide vision of the importance of ESG matters, with local business units developing practices best suited to conditions on the ground. For example, in the Nordic countries, Ramirent has been committed for many years to an ambitious sustainable development policy, with clearly identified objectives founded upon purchasing environmentally-friendly equipment, establishing sustainable operating processes, promoting initiatives for employee engagement, quality of life at work and career and skills management, and reinforcing solid safety and ethics policies. In addition, our Spanish and Portuguese business unit, LoxamHune, signed up to ambitious environmental commitments in 2020 to achieve carbon neutrality in its direct emissions in accordance with the ISO 14064 standard.

On a Group level, we have recently stepped up our commitment to environmental protection through further efforts to measure and minimize our carbon footprint, after years of demonstrated initiatives such as our ISO 14001 certification in 2010. We have invested in equipment meeting the latest environmental standards, including equipment with hybrid or electric engines. We also have made efforts to optimize transport logistics through the creation of regional transport nodes that manage logistics to minimize the number of trips made by our trucks in larger metropolitan areas. In 2021, we disclosed the Group's greenhouse gas emissions for the first time, for each of scopes 1, 2 and 3 of the GHG Protocol Corporate Accounting and Reporting Standard. Our total emissions amounted to 937 ktCO_2e for the year ended December 31, 2019, with scope 1 and scope 2 emissions (i.e., direct emissions from owned or controlled sources and indirect emissions from the generation of purchased energy consumed by the Group, respectively) accounting for 6% of our total emissions. Of our scope 3 emissions, 57% were attributable to the use of our equipment on our customers' worksites.

A breakdown of our 2019 greenhouse gas emissions is presented below.



In September 2021, we announced our carbon trajectory and our pledge to reduce our direct emissions (scopes 1 and 2) by 50% and our indirect emissions (scope 3) by 30%, in each case using 2019 as a baseline year, by 2030. In step with the Paris Climate Agreement, our declared targets would enable us to contribute to keeping global warming within the ambitious target of 1.5°C, as validated by the Science-Based Targets initiative. We believe we are the first equipment rental company to set Scope 1, 2 and 3 reduction targets by 2030. We have already begun initiatives in furtherance of these targets. For example, we have entered into a contract for the supply of all of our gas-heated sites with biomethane, a renewable gas made from the fermentation of organic matter, from January 1, 2022. We also have invested in natural gas-fueled trucks to deliver our equipment, which are quieter and less polluting than trucks with traditional combustion engines. To help reduce our customers' emissions, we intend to further invest in low-emission equipment. During the six months ended June 30, 2021, 59% of our fleet capital expenditures was on equipment with a combustion engine, 21% was on electric or hybrid motor equipment and 20% was on equipment without a motor. In addition, as of June 30, 2021, 13% of our total fleet had stage 5 engines, which are the cleanest diesel technology for reducing nitrogen oxide and particulate matter emissions. Our capital expenditure for 2021 targets a purchase of 25% of green equipment, and we intend to devote a greater percentage of our future capital expenditure to green equipment in future years.

The seriousness and robustness of our ESG initiatives have been confirmed by independent third parties. For example, in 2021, Vigeo Eiris assessed our ESG approach and gave us a score of 47/100, which was the highest ranking among equipment rental companies, for our sustainability performance. Sustainalytics assessed our overall non-financial risk, giving us a score of 13.8, representing a low level of risk. We have sought and maintained ISO certifications in a number of areas, including earning ISO 9001 certification in operational excellence in 1997 and becoming the first rental equipment company in the world to obtain ISO 45001 in safety at the end of 2019. Our ESG efforts have been rewarded several times, including through the Ecovadis Gold certification most recently in 2020.

Strategies

The key elements described below form the base of our business strategy.

Further diversify our customers within and beyond the construction industry

We will continue our strategy of diversifying our customer pool in order to capture the most active segments of the construction market. For example, we have strengthened our focus on more resilient sectors such as renovation, which has been particularly active in recent years. The expansion of our access equipment business through the Lavendon Acquisition has diversified our customer base even further as powered access equipment reaches a broader range of market sectors. Additionally, the Ramirent Acquisition has contributed to the diversification of our customer base beyond the construction market and reduced the significance of the top 10 customers in our revenue due to the lack of overlap among our respective customers.

We have also increased our exposure to other end markets, such as manufacturing, local authorities, event organizers, landscaping, retail, petro-chemical, training, demolition and facilities management. The customers in some of these sectors often have higher expectations in terms of access to service (24 hours a day/7 days a week) and appreciate the high standard of service and equipment quality we provide across our business.

We are also targeting additional client categories, such as small and medium enterprises (SME) or craftsmen who need smaller equipment and tools. Additionally, we are broadening our customer base through the development of partnerships with major do-it-yourself retail chains, sometimes based on a co-branding model. We also continue to open Loxam City shops in Paris to offer our customers proximity to their sites. We had a total of 16 Loxam City branches as of September 30, 2021.

Maintain our high-quality fleet of rental equipment

We will continue to actively monitor the size, quality, age, composition and efficiency of our rental fleet. We are committed to the disciplined management of our fleet to optimize utilization and profitability through the following strategies:

- Leveraging our scale to negotiate fleet purchase prices and develop customized services and bespoke equipment addressing our requirements in terms of quality, safety and low maintenance costs. Our long-lasting relationships with key equipment suppliers will allow us to obtain useful information on new product innovations and assess market demand.

- Using our comprehensive information systems and market knowledge to increase our utilization rate and yield. We will continue redeploying assets within our branch network, optimizing pricing, adjusting our fleet mix on a real time basis and maintaining fleet quality and diversification. We will focus our primary investments in the most active markets where our fleet has a higher utilization rate and where we expect stronger market trends.

- Maintaining our fleet to rigorous standards by tracking the servicing history of each piece of equipment.

- Seeking to remove older or idle equipment from our fleet at optimal times, and rejuvenating our fleet so as to be well-positioned to serve customers and meet higher demands as a result of a strengthening market while seeking to minimize the carbon footprint of our activities through investing in an increasing amount of hybrid and/or electric-powered equipment. For example, during the six months ended June 30, 2021, 59% of our fleet capital expenditures was on equipment with a combustion engine, 21% was on electric or hybrid motor equipment and 20% was on equipment without a motor. In addition, as of June 30, 2021, 13% of our total fleet had stage 5 engines, which are the cleanest diesel technology for reducing nitrogen oxide and particulate matter emissions.

- Optimizing recycling of equipment through repair and salvage. For example, fleet equipment that leaves our active rental fleet at the end of its lifecycle in France is sent to a reprocessing facility near Alençon. This facility evaluates the equipment and helps us to determine whether to sell such equipment to third parties or to recycle it for spare parts for our fleet. These recycling efforts allow us to take advantage of lower costs for certain replacement parts for our rental fleet.

We believe that these strategies have helped us develop a reputation for quality and reliability that will continue to make us an attractive choice for our customers while optimizing our operating costs and making the most of our fleet-related capital expenditures.

Lead market consolidation and further strengthen market position through successful integration of acquisitions

We believe that our acquisition track record has established us as a unique market consolidator and has helped to strengthen our market leadership by acquiring scale, particularly in Europe. Historically, through our acquisition strategy, which is supported by our extensive familiarity with the markets we serve and our ability to anticipate customer needs and new market opportunities, we have aimed to complement our organic growth, strengthen our leading market positions, increase the density of our network and reach a critical size to run profitable operations at a local level. Our acquisition strategy has included both significant transformational acquisitions, such as those of the Lavendon and Hune Groups in addition to the Ramirent Acquisition, and bolt-on acquisitions, such as those of JM Trykluft in Denmark, Maskinslussen in Sweden and UK Platforms Limited ("UK Platforms") through our subsidiary Nationwide Platforms Limited. For further details of these and other recent acquisitions, see "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Key Factors Affecting Results of Operations—Acquisitions.*"

We have most recently focused on successfully integrating Ramirent's business and driving cash flow generation to deleverage while continuing to evaluate value-accretive bolt-on opportunities in parallel. We believe the fragmentation in the global equipment rental market will continue to allow us to complete acquisitions and act as a market consolidator within our existing markets and globally, even though we mainly focus on deleveraging, we continue to evaluate opportunistic acquisitions and actively monitor opportunities to expand and optimize our network at the local level in order to further maximize profitable growth.

Successful integration of acquisitions is key to our strategy and we believe that our management team has developed expertise in this area that has positioned us to integrate Ramirent and any future acquired companies smoothly and profitably. We completed our integration of Ramirent and Stavdal in 2020, and achieved anticipated cost savings synergies of approximately €12 million from the Ramirent Acquisition and €6 million from the Stavdal acquisition, primarily linked to reductions of headquarters costs, the costs associated with Ramirent's former status as a listed company, IT costs and other administrative costs, ahead of schedule. More generally, and as we have done with the management of Ramirent and Lavendon, we work closely with the management of acquired companies to understand the nuances of their operations and local markets and draw from our own expertise and familiarity with the equipment rental markets to optimize equipment offerings and adjust branch locations as needed in order to anticipate and meet the needs of each market we serve.

Continue to adapt our disciplined and responsive financial model

We intend to continue managing our operations with a clear focus on EBITDA growth and cash flow generation to fund our future investments and service our debt. Our management's experience in equipment rental gives us a long-term vision of the construction and public works industries and thus of demand for our equipment. Our responsive business model has enabled us to maintain high EBITDA margins while also giving us the flexibility to quickly adjust our capital expenditure investments to match demand in order to protect cash flow generation. This strategy relies on strong financial discipline implemented across our platform, and our resilience through economic downturns, including most recently during 2020, are evidence of our success in delivering on this discipline in the past.

We plan to continue using this experience to help us recognize key inflection points in the cyclical construction market and to guide our decisions on deployment of capital, be it to further invest to meet growing market demand or reduce capital expenditure and instead apply cash to debt repayment. Our approach helps us to maintain profitability and meet the evolving needs of our customers, avoiding either excess fixed costs related to over-investment during periods of decreased demand or lost revenue opportunities and customer dissatisfaction due to under-investment during periods of increased demand.

Maintain our commitments to safety, quality, corporate sustainability and responsibility

We intend to remain at the forefront of our industry as a leader for safety, quality, responsibility, sustainability.

Safety is a top priority for us. We provide safety-related trainings for both our employees and our customers and in 2020 delivered approximately 44,000 hours of training in France, including more than 25,500 hours of training dedicated to risk prevention. We have also developed and implemented workshops and regular security briefings at the branch level and introduced a new motto throughout our branches: "safety, anytime and anywhere." Additionally, we hold ISO 9001, ISO 14001, MASE, VCA and OHSAS certifications and, shortly after integrating with our Group, Hune earned the internationally-acknowledged OHSAS 18001 certification in 2017 for its occupational health and safety management system. These certifications recognize the policies implemented by all of our teams to reduce the risk of accidents, comply with legislation and improve safety and working conditions. In 2019, we signed a partnership convention with the OPPBTP (French Building Industry Accident Prevention Organization) to promote good practices in accident prevention and safety towards all construction industry stakeholders. Finally, to further our commitment to the health and safety of its employees and clients, we deployed a plan to obtain ISO 45001 certification which aims at reducing occupational injuries and diseases, including promoting and protecting physical and mental health. In June 2020, our Spanish and French networks (representing 541 branches) were certified ISO 45001.

Our customers benefit from similar safety-driven training and solutions. For example, our powered access customers in the UK benefit from Lavendon's BlueSky Solutions, which develops innovative solutions to reduce the risk of accidents associated with working at high heights. We also seek feedback from our customers about their experience using our equipment so that we can adjust our offerings to provide what will be most safe, reliable and adaptable to our customers' wide range of needs. For example, through a collaboration between Bouygues Construction, our Group and Manitou, we now offer a safety pack, "LoxSafe", deployed on our telescopic handlers, to help reduce common and potentially serious accidents. If a dangerous situation is detected (such as not wearing a seatbelt or moving loads causing a risk of tipping), the driver of the machine is alerted. The alert is also transmitted externally, including by SMS. Our long-standing relationships with our suppliers also make us well-positioned to help our customers use equipment safely and to relay their feedback to the manufacturers so that our customers can benefit from improved machine designs.

We are committed to promoting corporate sustainability and responsibility. We seek to build on the efforts that have already earned us recognition from large, independent rating agencies to pursue further ambitious ESG initiatives. We fully intend to be a driving force and become a reference in our sector for ESG to move forward and guarantee a sustainable and supportive future that protects the environment and is open to all forms of diversity. Committed to sustainable development to protect the environment and biodiversity, we aim to be exemplary in our regional presence, including by encouraging all employees to take initiatives to contribute, at their level, to better preservation of resources. For example, we have recently pledged to cut, by 2030, our direct emissions by 50% and our indirect emissions by 30% compared with 2019. In step with the Paris Climate Agreement, these targets enable us to contribute to keep global warming within the ambitious target of 1.5°C. Further, as a committed employer, we are renewing our promises and continuing our initiatives with company employees in the fields of diversity, training, promotion and safety.

As part of our commitment to corporate responsibility, we also prioritize the professional development of our employees throughout their careers. The Loxam School in Bagneux, near Paris, has been open to all our employees across our three divisions and has offered sessions to both beginners and experienced staff since 2008 with the aim of improving key skills. Training is provided by experienced professionals from our network and covers a variety of fields including knowledge of equipment, safety, environment (waste processing, energy savings, etc.) sales skills and team management, among others. The Loxam School also plays a key role in the integration of employees from acquired companies. For a further description of our ESG initiatives, see "*Business—ESG*".

Further develop digitalization efforts

We intend to continue to embrace digital transformation, which we believe is key to improving both our internal processes and efficiency as well as the level of customer service we are able to offer. We recently completed our own two-year digitalization project in 2020 through the overhaul of our main websites and the deployment of digital tools for both our customers and our employees. For example, our MyLoxam customer portal allows customers to access a personalized, secure portal available 24 hours a day, seven days a week, through which they can manage their rental contracts and save time, make the most of their rentals and complete more tasks themselves. We also have rolled out a synchronization system between our customers' procurement management applications and our ERP, which allow customers to manage their contracts directly through their procurement tool and allows them to make modifications to deal with issues that are common in the equipment rental industry (such as inclement weather, contract extensions and service monitoring). We believe that these types of digital initiatives will be a source of significant productivity gains for both us and our clients. Moreover, we believe that the digital tools we have deployed and will continue to roll out for the benefit of our teams has improved and will further boost their efficiency while also reducing our carbon footprint. We plan to continue developing and promoting digital offerings in the future in order to further set ourselves apart from our competitors.

The Revolving Credit Facility and the Super Senior Conversion

On July 29, 2021, we entered into a new revolving credit facility agreement (the "Revolving Credit Facility Agreement") providing for a €345 million five-year revolving credit facility (together with any incremental facility that may be provided by the Revolving Credit Facility Agreement, the "Revolving Credit Facility").

As of the date of this Listing prospectus, the Revolving Credit Facility is secured by collateral granted under a French law framework "*Dailly*" receivables security assignment agreement, a French law framework equipment pledge agreement and a French law bank account pledge agreement (the "Revolving Credit Facility Collateral"). On the date on which certain conditions have been satisfied under the Revolving Credit Facility Agreement (the "Super Senior Conversion Date"), our obligations under the Revolving Credit Facility will benefit from the same guarantees as the Notes and the Revolving Credit Facility will be secured by security interests granted over the same collateral that secures the Notes (excluding, for the avoidance of doubt, the Revolving Credit Facility Collateral).

On the Super Senior Conversion Date, we will enter into a new intercreditor agreement (the "Super Senior Intercreditor Agreement"), pursuant to which the lenders under the Revolving Credit Facility and the counterparties to certain hedging obligations will receive priority over the holders of the Notes to the proceeds from the collateral also securing the Notes in the event of any enforcement. The Indenture will provide that each holder of the Notes, by accepting a Note, shall be deemed to have agreed to and accepted the terms and conditions of a Super Senior Intercreditor Agreement and authorized the Trustee and the Security Agent to enter into the Super Senior Intercreditor Agreement. See "*Description of the Notes—Additional Intercreditor Agreements*".

For a description of the Revolving Credit Facility and the Super Senior Intercreditor Agreement, see "*Description of Certain Financing Arrangements—Revolving Credit Facility Agreement*" and "*Description of Certain Financing Arrangements—Super Senior Intercreditor Agreement*".

Recent Developments

Closing of Sale of Sparring Capital's Interest in Loxam and Capital Reduction

On November 15, 2021, we closed the previously announced buyback of the Issuer's shares, pursuant to a buyback offer that was launched in connection with the sale of Sparring Capital's interest in the Issuer. The Issuer's management team, FCPE Loxam (the Issuer's French employee savings fund) and the Issuer's majority shareholder all acquired shares from Sparring Capital. The Issuer itself repurchased approximately 325,000 shares of stock, for total consideration of €12.4 million. As a result of the transaction, as of the date of this listing prospectus, the Issuer's authorized share capital is €222,559,930.

Partial Redemption of 2025 Senior Subordinated Notes

On November 15, 2021, we redeemed €120,000,000 in aggregate principal amount of our 2025 Senior Subordinated Notes, at a price of €122,400,000 million, corresponding to 101.500% of the principal amount redeemed, plus accrued and unpaid interest on the 2025 Senior Subordinated Notes from October 15, 2021 (the last interest payment date for which interest on the 2025 Senior Subordinated Notes was paid) to, but not including, November 15, 2021. After giving effect to this redemption, €119,566,000 in aggregate principal amount of the 2025 Senior Subordinated Notes remain outstanding as of the date of this listing prospectus.

Current Trading

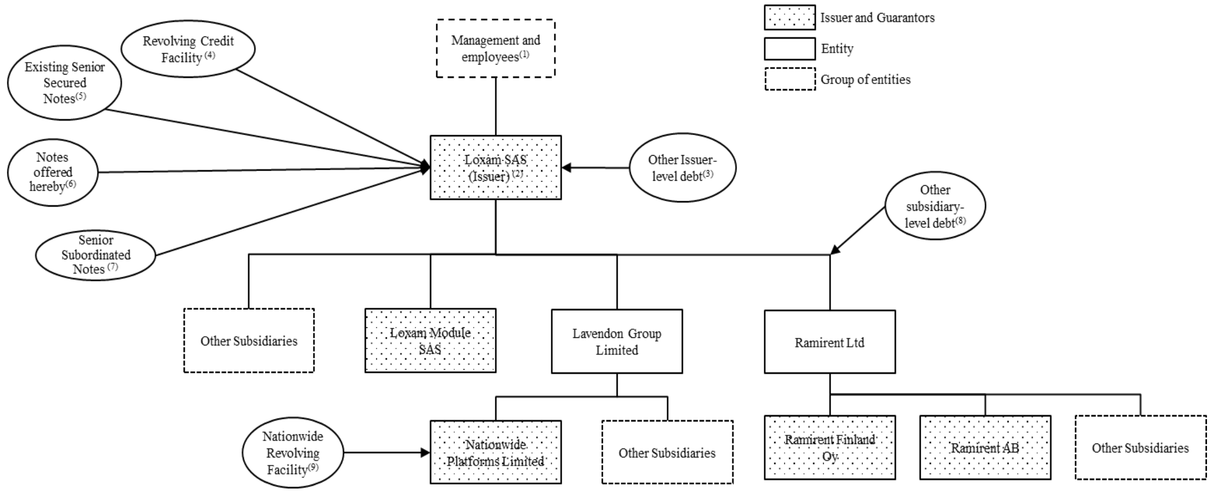
Based on preliminary information, we estimate that our consolidated revenue increased by approximately 10% during the three months ended December 31, 2021 compared to the three months ended December 31, 2020. Revenue generated in France increased by approximately 4%, revenue in the Nordic countries increased by approximately 14% and revenue in the rest of the world increased by approximately 15%, in each case during the three months ended December 31, 2021 compared to the three months ended December 31, 2020. In France, where we have already reached a pre-COVID-19 level of activity, demand continued to grow as economic conditions remained positive. In the Nordic countries, revenue growth was sustained by favorable weather conditions while in the rest of the world we continued to benefit from an overall recovery in activity. At constant perimeter and constant exchange rate, our consolidated revenue grew by approximately 7% during the three months ended December 31, 2021 compared to the three months ended December 31, 2020.

We further estimate that our net debt remained stable as of December 31, 2021 compared to September 30, 2021, as we recorded a higher capital expenditure level during the three months ended December 31, 2021.

The unaudited preliminary financial information as of and for the three months ended December 31, 2021 presented above is derived from our accounting records and is the responsibility of our management. This information has not been audited, reviewed, examined, compiled, nor have any agreed-upon procedures been applied by our independent auditors, with respect thereto. You should not place undue reliance on such unaudited preliminary financial information.

SUMMARY CORPORATE AND FINANCING STRUCTURE

The diagram below illustrates, in simplified form, our corporate and financing structure as of September 30, 2021, as adjusted for the Transactions.



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(1) As of the date of this listing prospectus, the Issuer's present and former management and employees hold 100% of the Issuer's outstanding stock. See "*Shareholders and Related Party Transactions*".

(2) Loxam SAS (the "Issuer") is a limited liability company (*société par actions simplifiée*) organized under the laws of France.

(3) Other indebtedness at the Issuer level is composed of certain unsecured bilateral credit facilities, finance leases and a French State-guaranteed loan. See "*Description of Certain Financing Arrangements*".

(4) On July 29, 2021, we entered into the Revolving Credit Facility Agreement, which provides for a Revolving Credit Facility with committed financings permitting on the Issue Date borrowings of up to an aggregate of €345.0 million. Upon entry into the Revolving Credit Facility Agreement, we terminated the Former Revolving Credit Facility Agreement, under which no drawings were outstanding as of September 30, 2021. See "*Description of Certain Financing Arrangements—Revolving Credit Facility Agreement*." We do not intend to draw under the Revolving Credit Facility on the Issue Date.

As of the date of this Listing prospectus, the Revolving Credit Facility is secured by the Revolving Credit Facility Collateral. On the Super Senior Conversion Date, our obligations under the Revolving Credit Facility will benefit from the same guarantees as the Notes and the Revolving Credit Facility will be secured by security interests granted over the same collateral that secures the Notes (excluding, for the avoidance of doubt, the Revolving Credit Facility Collateral). On the Super Senior Conversion Date, we will enter into a Super Senior Intercreditor Agreement, pursuant to which the lenders under the Revolving Credit Facility and the counterparties to certain hedging obligations will receive priority over the holders of the Notes to the proceeds from the collateral also securing the Notes in the event of any enforcement. The Indenture will provide that each holder of the Notes, by accepting a Note, shall be deemed to have agreed to and accepted the terms and conditions of a Super Senior Intercreditor Agreement and authorized the Trustee and the Security Agent to enter into the Super Senior Intercreditor Agreement. See "*Description of Certain Financing Arrangements—Super Senior Intercreditor Agreement*" and "*Description of the Notes—Additional Intercreditor Agreements*".

(5) The Existing Senior Secured Notes are the senior obligations of the Issuer and are secured on the Existing Senior Secured Collateral. The Existing Senior Secured Notes are guaranteed by Loxam Module SAS, Nationwide Platforms Limited, Ramirent Finland Oy and Ramirent AB (each, a "Guarantor"). For a description of the terms of the Existing Senior Secured Notes, see "*Description of Certain Financing Arrangements—Existing Senior Secured Notes*".

(6) On the Issue Date, the Notes will be senior obligations of the Issuer and will be secured on the Existing Senior Secured Collateral. The Notes will be guaranteed by the Guarantors. As of and for the twelve months ended September 30, 2021, the Issuer and the Guarantors accounted for 68.7% of our consolidated revenue, 67.6% of our consolidated EBITDA and 67.9% of our consolidated total assets, respectively. The Guarantees will be subject to limitations under applicable laws and may be released under certain circumstances. See "*Description of Certain Financing Arrangements*", "*Certain Insolvency Law Considerations and Limitations on Validity and Enforceability of the Guarantees and Security Interests*", "*Description of the Notes—The Notes Guarantees*" and "*Risk Factors—Risks Related to the Notes and Our Capital Structure*". The Notes will rank *pari passu* in right of payment to all of the existing and future indebtedness of the Issuer that is not expressly subordinated to the Notes, will rank senior in right of payment to any existing and future indebtedness of the Issuer that is expressly subordinated to the Notes (including the Senior Subordinated Notes), will be structurally subordinated to all existing and future obligations of subsidiaries of the Issuer or the Guarantors that do not guarantee the Notes and will be effectively subordinated to any existing or future indebtedness of the Issuer and its subsidiaries that is secured by property and assets that do not secure the Notes, to the extent of the value of the property and assets securing such indebtedness. See "*Description of the Notes*" and "*Risk Factors—Risks Related to the Notes and Our Capital Structure*".

(7) The Senior Subordinated Notes are the unsecured senior subordinated obligations of the Issuer. The Senior Subordinated Notes are guaranteed on a subordinated basis by the Guarantors. They are and will be expressly subordinated in right of payment to the Existing

Senior Secured Notes, the Notes, the Revolving Credit Facility and any future indebtedness (excluding other senior debt) that is not expressly subordinated to the Senior Subordinated Notes. For a description of the terms of the Senior Subordinated Notes, see "*Description of Certain Financing Arrangements—Senior Subordinated Notes*".

(8) Indebtedness at the level of the Issuer's subsidiaries is composed of certain bilateral credit facilities, finance leases, commercial paper outstanding under the Commercial Paper Program and state-guaranteed loans drawn by certain of our Spanish, Portuguese, Italian and Swiss subsidiaries. See "*Description of Certain Financing Arrangements*".

(9) The Nationwide Revolving Facility provides for borrowings of up to an aggregate of £120.0 million on a committed basis. See "*Description of Certain Financing Arrangements—Nationwide Revolving Facility Agreement*." As of September 30, 2021, €114.0 million was outstanding under the Nationwide Revolving Facility.

THE OFFERING

For the purposes of this section captioned "The Offering," references to "we," "our" and similar expressions are to Loxam only and not to its subsidiaries.

The Issuer	Loxam S.A.S.
Securities Offered	€350,000,000 aggregate principal amount of 4.500% senior secured notes due 2027 (the "**Notes**").
Issue Date	February 10, 2022.
Transfer Restrictions	We have not registered the Notes under the Securities Act or any state securities laws. You may not offer or sell the Notes except under an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. See "*Transfer Restrictions*."
Use of Proceeds	We expect to receive gross proceeds from the offering of €350,000,000. We intend to use the net proceeds from the offering, together with cash on hand, to redeem in full the outstanding aggregate principal amounts of our 2022 Senior Secured Notes and our 2023 Senior Secured Notes and to pay the fees and expenses related to the offering. See "*Use of Proceeds*."
Issue Price...	100.000% (plus accrued and unpaid interest from the Issue Date).
Maturity..	The Notes will mature on February 15, 2027.
Interest..	4.500% per annum, payable semi-annually in arrear on March 15 and September 15 of each year, beginning on September 15, 2022.
Ranking	The Notes: • will be the general senior secured obligations of the Issuer and any of the Issuer's subsidiaries that guarantee the Notes; • will be secured as set forth under "—*Security*"; • will rank *pari passu* in right of payment among themselves and with any existing and future obligations that are not expressly subordinated in right of payment to the Notes, including the Revolving Credit Facility, the Existing Senior Secured Notes and the bilateral credit facilities extended to Loxam; and • will be effectively subordinated to any of our and our subsidiaries' existing or future obligations that are secured by property and assets that do not secure the Notes, to the extent of the value of the property and assets securing such obligations, including the Revolving Credit Facility which is secured by commercial receivables that are not pledged for the benefit of the holders of the Notes, and additional indebtedness to be incurred as permitted under the Indenture and secured by assets other than the property and assets securing the Notes.
Guarantees	As of the Issue Date, the Notes will be guaranteed on a senior basis by Nationwide Platforms Limited, Loxam Module SAS, Ramirent Finland Oy and Ramirent AB (each, a "Guarantor"). As of and for the twelve months ended September 30, 2021, the Issuer and the Guarantors accounted for 68.7% of our consolidated revenue, 67.6% of our consolidated EBITDA and 67.9% of our consolidated total

	assets, respectively. See "*Description of The Notes—The Note Guarantees*."
Ranking of the Guarantees	The Guarantee of each Guarantor will: • be a general senior obligation of such Guarantor; • be secured as described below under "—*Security*;" • rank pari passu in right of payment with all existing and future indebtedness of such Guarantor that is not subordinated in right of payment to such Guarantor's Guarantee; • rank senior in right of payment to all of the existing and future indebtedness that is subordinated in right of payment to such Guarantor's Guarantee; and • be effectively subordinated to any existing and future indebtedness of such Guarantor that is secured by property or assets that do not secure such Guarantee, to the extent of the value of the property and assets securing such indebtedness.
Security...	The Notes will be secured by a security interest granted over the Collateral on a first-priority basis by virtue of the Intercreditor Agreement, provided that as from the Super Senior Conversion Date, the Notes and the Existing Senior Secured Notes will rank after the lenders under the Revolving Credit Facility Agreement with respect to proceeds of enforcement of the Collateral. Holders of the Existing Senior Secured Notes agreed in the Intercreditor Agreement that the holders of the Notes and themselves will be deemed and treated for the purpose of the Intercreditor Agreement (including, *inter alia*, its provisions relating to the application of proceeds following the enforcement of the Collateral) as secured *pari passu*, notwithstanding the ranking of their respective security interests. References to first-priority basis under the Intercreditor Agreement means that, notwithstanding their rank in the Collateral, the security interests therein are contractually *pari passu* first-priority and entitled to equal treatment with other first-priority secured creditors by virtue of the Intercreditor Agreement. See "*Description of Certain Financing Arrangements—Intercreditor Agreement*."
Intercreditor Agreement..................	To establish the relative rights of certain of our creditors under our financing arrangements, we entered into the Intercreditor Agreement with, among others, the Security Agent, the trustees for the Existing Senior Secured Notes and the lenders under the Revolving Credit Facility. In connection with the issuance of the Notes, the Trustee will accede to the Intercreditor Agreement in its capacity as trustee for the Notes. On the Super Senior Conversion Date, the above Intercreditor Agreement will be replaced by the Super Senior Intercreditor Agreement. For further information see "*Description of Certain Financing Arrangements—Intercreditor Agreement*" and "*Description of Certain Financing Arrangements—Super Senior Intercreditor Agreement*".
Optional Redemption	We may redeem all or part of the Notes at any time on or after February 15, 2024 at the redemption prices described in this listing prospectus. At any time prior to February 15, 2024 we may redeem all or part of the Notes at a redemption price equal to 100% of their principal amount plus the applicable premium described in this listing

prospectus. At any time prior to February 15, 2024 during each 12-month period commencing on the Issue Date, we may redeem up to 10% of the aggregate principal amount of the Notes at a redemption price of 103% of the principal amount of the Notes redeemed. In addition, at any time prior to February 15, 2024 we may also redeem up to 45% of the Notes with the net proceeds from certain equity offerings.

Change of Control .... Upon certain events constituting a change of control and a rating decline (which is defined to include, among other things, Standard & Poor's issuing, confirming or maintaining a corporate rating of the Issuer that is below B+ at any time during the period commencing on the date of the first public notice of the occurrence of the change of control and ending on the date that is ninety (90) days following the occurrence of such event), the Issuer may be required to make an offer to purchase the Notes at a price equal to 101% of the principal amount thereof.

Redemption for Changes in Tax Law... We will be required to pay additional amounts to the holders of the Notes to compensate them for any amounts deducted from payments to them in respect of the Notes on account of certain taxes and other governmental charges, subject to certain customary exceptions. If we become obliged to pay such additional amounts as a result of a change in law, the Notes may be subject to redemption, in whole but not in part, at our option at a price equal to 100% of the principal amount of the Notes.

Certain Covenants and Events of Default.. The indenture governing the Notes will contain certain covenants and events of default that, among other things, limit our ability and that of certain of our subsidiaries to:

- incur or guarantee additional indebtedness or issue preferred shares;
- pay dividends or make other distributions;
- purchase equity interests or redeem subordinated indebtedness prior to its maturity;
- create or incur certain liens;
- create or incur restrictions on the ability to pay dividends or make other payments to us;
- enter into certain transactions with affiliates;
- impair the Collateral; and
- sell assets (including the capital stock of our subsidiaries) or merge or consolidate with another company.

All of these limitations are subject to a number of important qualifications and exceptions.

If at any time the Notes receive ratings of BBB- or higher from Standard & Poor's and Baa3 or higher from Moody's Investors Service, Inc. ("Moody's"), and no default or event of default has occurred and is continuing, certain restrictions, covenants and events

	of default will cease to be applicable to the Notes for so long as the Notes maintain such ratings.
Taxation	For a description of the material tax consequences of an investment in the Notes, see "*Taxation*."
Denomination	Each Note will have a minimum denomination of €100,000 and integral multiples of €1,000 in excess thereof.
Listing	Application has been made to admit the Notes to listing on the Official List of the Luxembourg Stock Exchange and to trading on the Euro MTF.
Governing Law	The Indenture and the Notes will be governed by, and construed in accordance with, the laws of the State of New York. The Intercreditor Agreement is governed by and construed in accordance with the laws of England and Wales.
Trustee	Wilmington Trust, National Association
Security Agent	Wilmington Trust (London) Limited
Paying Agent and Transfer Agent...	Deutsche Bank AG, London Branch
Luxembourg Listing Agent and Registrar	Deutsche Bank Luxembourg S.A.

For further information regarding the Notes, see "Description of the Notes."

Risk Factors

Investment in the Notes offered hereby involves certain risks. You should carefully consider the information under "Risk Factors" and all other information included in this listing prospectus before investing in the Notes.

SUMMARY CONSOLIDATED FINANCIAL AND OTHER INFORMATION

The following tables present our summary consolidated financial information as of and for the years ended December 31, 2018, 2019 and 2020 and for the nine months ended September 30, 2020 and 2021. The summary consolidated financial information as of and for each of the years ended December 31, 2018, 2019 and 2020 was derived from our audited consolidated annual financial statements, which were audited by our Auditors. An English language translation of our audited consolidated financial statements as of and for the years ended December 31, 2018, 2019 and 2020 is included elsewhere in this listing prospectus, together with a free English language translation of the audit reports thereon from our independent auditors, KPMG Audit, a division of KPMG S.A., and Constantin Associés (a member of Deloitte Touche Tohmatsu Limited). These consolidated financial statements were prepared in accordance with IFRS as adopted by the European Union. The summary condensed consolidated unaudited interim financial information as of and for the nine months ended September 30, 2021, with comparable information for the nine months ended September 30, 2020, was derived from our unaudited condensed consolidated interim financial statements as of and for the nine months ended September 30, 2021 which were prepared in accordance with IAS 34 – standard of the IFRS as adopted by the European Union applicable to interim financial reporting. The unaudited condensed consolidated interim financial statements as of and for the nine months ended September 30, 2021 were reviewed by our statutory auditors. An English language translation of our unaudited condensed consolidated interim financial statements as of and for the nine months ended September 30, 2021 is included elsewhere in this listing prospectus, together with a free English language translation of the review report ("*examen limité*") thereon from our Auditors.

Financial information for the twelve months ended September 30, 2021 has been calculated by adding together the unaudited condensed consolidated interim financial information for the nine months ended September 30, 2021 to the audited consolidated financial information for the year ended December 31, 2020 extracted from our audited financial statements as of and for the year ended December 31, 2020, and subtracting the unaudited condensed consolidated interim financial information for the nine months ended September 30, 2020. The unaudited financial information for the twelve months ended September 30, 2021 has been prepared solely for the purposes of this listing prospectus, is not necessarily indicative of our results of operations for the full year ended December 31, 2021 or for any future period, is not prepared in our ordinary course of business, and has not been prepared in accordance with the requirements of Regulation S-X under the Securities Act, the Prospectus Regulation or any generally accepted accounting standards.

We began applying IFRS 16 on January 1, 2019 using the modified retrospective method and as a result, we did not restate our financial statements as of and for the year ended December 31, 2018 to give effect to the application of IFRS 16. Therefore, the financial information presented in this listing prospectus as of and for the year ended December 31, 2018 is not directly comparable with the financial information presented for subsequent periods. Our results for the years ended December 31, 2019 and 2020 and the nine months ended September 30, 2020 and 2021 presented in this listing prospectus include the impact of IFRS 16, and we provide a breakdown of this impact in certain financial tables. In our audited consolidated financial statements as of and for the year ended December 31, 2020, comparative information as of and for the year ended December 31, 2019 was restated to give effect to the application of the definitive decision of the IFRS IC concerning the assessment of lease terms for leases renewable by tacit agreement. A similar restatement was made in Loxam's unaudited condensed consolidated interim financial statements as of and for the nine months ended September 30, 2021 with respect to the comparative information included therein for the nine months ended September 30, 2020. For ease of review, we present restated financial information as of and for the year ended December 31, 2019 and the nine months ended September 30, 2020 in this listing prospectus. For further detail on the impact of this application, see Note 26 to the Group's audited consolidated financial statements as of and for the year ended December 31, 2020 and Note 24 to the Group's unaudited condensed consolidated interim financial statements as of and for the nine months ended September 30, 2021 included in this listing prospectus.

On August 1, 2019, Ramirent and its subsidiaries were consolidated in our consolidated accounts. Our results for the year ended December 31, 2019 presented in this listing prospectus include five months of Ramirent's activity. As a consequence of the integration of Ramirent as of August 1, 2019, financial information for Loxam for the year ended December 31, 2019 is not comparable to the financial information for the year ended December 31, 2018 because of the change in perimeter. See "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Results of Operations*" and the notes to our financial statements included elsewhere in this listing prospectus for further information.

The summary consolidated financial and other information included below is not necessarily indicative of our future results of operations and should be read in conjunction with, and is qualified in its entirety by reference to, our consolidated financial statements, including the notes thereto, a free English language translation of which is included elsewhere in this listing prospectus. You should also read the tables below in conjunction with "*Presentation of Financial and Other Information*," "*Use of Proceeds*," "*Capitalization,*" "*Unaudited Pro Forma Consolidated Condensed Financial Information*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*."

Summary Consolidated Income Statement Information

	Year ended December 31,			Nine months ended September 30,		Twelve months ended September 30,
	2018	**2019 (restated)[(b)]**	**2020**	**2020 (restated)[(b)]**	**2021**	**2021**
	Pre-IFRS 16[(a)]	***Post-IFRS 16[(a)]***				
	in millions of euros					
Revenue	1,482.6	1,871.4	1,988.9	1,455.5	1,599.8	2,133.2
Other income[(c)]	56.7	59.5	70.7	53.1	36.6	54.2
Operating income	**1,539.3**	**1,930.9**	**2,059.6**	**1,508.6**	**1,636.4**	**2,187.4**
Purchases consumed	(162.8)	(193.4)	(185.1)	(128.9)	(157.5)	(213.7)
Personnel expenses	(381.3)	(467.5)	(513.9)	(380.3)	(427.4)	(561.0)
Other current expenses	(475.3)	(548.8)	(612.9)	(446.9)	(462.6)	(628.6)
Taxes and duties	(19.3)	(19.6)	(19.8)	(15.2)	(13.6)	(18.2)
Depreciation and amortization	(287.8)	(462.2)	(553.4)	(414.0)	(388.9)	(528.3)
Profit from ordinary operations	**212.9**	**239.5**	**174.5**	**123.3**	**186.5**	**237.7**
Other operating income and expense	0.2	(28.1)	(12.0)	(0.6)	(1.7)	(13.1)
Operating profit	**213.2**	**211.4**	**162.5**	**122.7**	**184.7**	224.5
Interest and financing-related expenses	(97.2)	(126.9)	(158.7)	(119.5)	(115.4)	(154.6)
Other financial income and expenses	(5.0)	(27.9)	0.1	(2.1)	(4.0)	(1.8)
Financial income (expense)	**(102.1)**	**(154.9)**	**(158.6)**	**(121.6)**	**(119.4)**	**(156.4)**
Profit before tax	**111.0**	**56.5**	**3.8**	**1.1**	**65.3**	**68.0**
Share of profit of associates	-	0.9	1.1	0.6	0.8	1.3
Income tax expense	(20.6)	(9.6)	(0.7)	(3.2)	(12.1)	(9.6)
Net profit	**90.4**	**47.9**	**4.3**	**(1.4)**	**54.1**	**59.8**
Non-controlling interests	(5.2)	(1.2)	(0.5)	(0.4)	1.2	1.1
Net profit, Group share	**95.7**	**49.1**	**4.8**	**(1.0)**	**52.9**	**58.7**

(a) The Group has applied IFRS 16 from January 1, 2019, using the modified retrospective approach. Under this approach, comparative information is not restated and accordingly, information for the year ended December 31, 2018 is presented without giving effect to the application of IFRS 16.

(b) The Group has restated its financial information as of and for the year ended December 31, 2019 and the nine months ended September 30, 2020 to give effect to the implementation of the IFRS Interpretations Committee decision on the enforceable period of leases. See "*Presentation of Financial and Other Information—New Standards and Interpretations—IFRS 16*".

(c) Other income includes capital gains on disposal of fleet assets for €41.5 million, €47.5 million and €57.9 million in 2018, 2019 and 2020, respectively, and €43.8 million and €29.9 million for the nine months ended September 30, 2020 and September 30, 2021, respectively. It also includes income from real estate rentals to third parties for €6.1 million, €4.7 million and €3.9 million in 2018, 2019 and 2020, respectively, and €3.6 million and an expense of €0.1 million for the nine months ended September 30, 2020 and September 30, 2021, respectively.

Summary Consolidated Statement of Financial Position Information

	As of December 31,			As of September 30,
	2018	**2019 (restated)**	**2020**	**2021**
	***Pre-IFRS 16*[(a)]**	***Post-IFRS 16*[(a)]**		
	in millions of euros			
Intangible assets and goodwill	1,327.3	2,353.6	2,307.5	2,300.1
Property, plant and equipment	1,354.7	2,390.4	2,126.5	2,125.2
Financial assets	14.4	21.4	20.5	19.4
Financial derivatives	—	—	0.8	—
Investments in associates	—	9.8	7.5	9.1
Deferred tax assets	18.4	18.5	17.8	16.2
Non-current assets	**2,714.8**	**4,793.7**	**4,480.6**	**4,470.0**
Inventories	30.8	49.3	45.5	52.9
Trade and other receivables	388.5	496.6	414.1	475.9
Other current assets	68.5	75.1	64.2	64.7
Cash and cash equivalents	143.8	230.1	627.9	601.9
Current assets	**631.5**	**851.0**	**1,147.7**	**1,195.3**
Total assets	**3,346.3**	**5,644.7**	**5,628.3**	**5,665.3**
Share capital	229.8	229.8	224.8	224.8
Additional paid-in capital	1.9	1.9	1.9	1.9
Consolidated reserves	292.5	407.4	403.8	403.9
Net profit for the period	95.7	49.4	4.8	52.9
Shareholders' equity (Group share)	**619.8**	**688.2**	**635.2**	**683.5**
Non-controlling interests	10.6	9.5	5.5	7.8
Total equity	**630.5**	**697.7**	**640.8**	**691.3**
Employee benefits	11.1	44.2	57.1	54.4
Deferred tax liabilities	70.4	190.9	195.4	193.6
Borrowings and financial debt	2,063.0	3,792.6	3,632.9	3,493.5
Other non-current liabilities	—	—	—	2.2
Financial derivatives	2.3	7.6	5.1	2.5
Non-current liabilities	**2,146.9**	**4,035.3**	**3,890.4**	**3,746.2**
Provisions	11.1	19.5	15.1	11.7
Borrowings and financial debt	216.5	481.6	680.2	765.0
Trade and other payables	202.2	205.3	209.4	231.8
Other current liabilities	139.2	205.3	192.5	219.2
Current liabilities	**569.0**	**911.6**	**1,097.1**	**1,227.8**
Total shareholders' equity and liabilities	**3,346.3**	**5,644.7**	**5,628.3**	**5,665.3**

(a) The Group has applied IFRS 16 from January 1, 2019, using the modified retrospective approach. Under this approach, comparative information is not restated.

Summary Consolidated Cash Flow Statement Information

	Year ended December 31,			Nine months ended September 30,	
	2018	2019 (restated)	2020	2020 (restated)	2021
	Pre-IFRS 16	*Post-IFRS 16*			
	in millions of euros				
Cash flow from operating activities....	361.9	461.4	597.1	423.0	389.2
Cash flow from investing activities	(366.9)	(1,445.3)	(229.0)	(156.6)	(322.6)
Cash flow from financing activities....	28.5	1,070.4	34.7	182.9	(96.4)
Change in cash and cash equivalents	**23.5**	**86.5**	**402.8**	**449.3**	**(29.9)**
Cash and cash equivalents[(a)] at end of period	**141.4**	**229.0**	**627.8**	**674.7**	**598.9**

(a) Cash and cash equivalents at the end of the period is defined net of bank overdrafts.

Summary Other Financial and Operating Data

The following table presents other financial and operating data which we use to analyze our business on a consolidated basis for the periods indicated.

	As of or for the year ended December 31,			As of or for the nine months ended September 30,		As of or for the twelve months ended September 30,
	2018	2019 (restated)	2020	2020 (restated)	2021	2021
	Pre-IFRS 16	*Post-IFRS 16*				
	in millions of euros, except percentages and operational data					
Revenue..	1,482.6	1,871.4	1,988.9	1,455.5	1,599.8	2,133.2
Pro forma revenue [(1)]						*2,153.1*
EBITDA [(2)]	500.7	701.7	727.9	537.3	575.3	765.9
Pro forma EBITDA [(3)]						772.9
EBITDA Margin [(2)].....................................	33.8%	37.5%	36.6%	36.9%	36.0%	35.9%
Pro forma EBITDA Margin [(3)]....................						35.9%
Gross capital expenditures						
Purchases of rental equipment....................	373.4	344.9	191.9	130.2	239.5	301.2
Purchases of non-rental equipment [(4)].........	39.1	38.2	45.5	24.5	26.5	47.5
Total...	**412.5**	**383.1**	**237.3**	**154.7**	**265.9**	**348.5**
Proceeds from disposal of fixed assets						
Proceeds from disposals of rental equipment	56.2	68.8	80.4	60.2	41.1	61.3
Proceeds from disposals of non-rental equipment	6.5	2.4	5.5	3.4	3.2	5.3
Total...	**62.8**	**71.3**	**85.9**	**63.5**	**44.3**	**66.7**
Net capital expenditures [(5)]..........................	349.7	311.8	151.5	91.2	221.6	281.9
Change in working capital requirements.....	8.7	(35.0)	90.2	55.0	(22.8)	12.4
Interest and financing-related expenses	(97.2)	(126.9)	(158.7)	(119.5)	(115.4)	(154.6)
Free cash flow [(6)]..	10.8	61.6	339.3	251.5	91.2	179.0
Loans and financial debt (gross debt) [(7)]	2,279.5	4,274.2	4,313.0		**4,260.8**	
Net debt [(8)]	**2,135.7**	**4,039.3**	**3,685.1**		**3,658.9**	

	As of or for the year ended December 31,			As of or for the nine months ended September 30,	
	2018	**2019**	**2020**	**2020**	**2021**
Employees	7,914	11,377	10,802	10,898	11,238
Number of branches	763	1,069	1,053	1,061	1,064
Branch openings	8	4	15	9	7
Branch closures or mergers	12	13	31	20	8
Acquisitions (number of branches)	7	315	—	—	12
Replacement value of the fleet (9) (in millions of euros)	3,631	3,665	4,696		4,792.3
Organic growth (10) (%)	3.7	1.9	(12.7)	(14.1)	8.6

(1) JM Trykluft and Maskinslussen have been consolidated in our consolidated financial statements as from June 1, 2021. *Pro forma* revenue for the twelve months ended September 30, 2021 includes the estimated additional contribution to our revenue of JM Trykluft and Maskinslussen of €13.1 million and €6.8 million, respectively, as if each had been acquired on October 1, 2020. See "*Presentation of Financial and Other Information—Pro Forma Financial Information*". For more information on these acquisitions, see "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Factors Affecting Comparability of Results—Recent Acquisitions*."

(2) EBITDA is defined as profit from ordinary operations plus depreciation and amortization of fixed assets. We present EBITDA as additional information because we believe it is helpful to investors in highlighting trends in our business. However, other companies may present EBITDA differently than we do. EBITDA is not a measure of financial performance under IFRS and should not be considered as an alternative to net profit as an indicator of our operating performance or any other measures of performance derived in accordance with IFRS. See "*Management's Discussion and Analysis of Financial Condition and Results of Operations—EBITDA*" for a reconciliation of EBITDA to profit from ordinary operations and net profit. EBITDA Margin is equal to EBITDA divided by revenue for the relevant period.

(3) JM Trykluft and Maskinslussen have been consolidated in our consolidated financial statements as from June 1, 2021. *Pro forma* EBITDA for the twelve months ended September 30, 2021 includes the estimated additional contribution to our EBITDA of JM Trykluft and Maskinslussen of €5.0 million and €2.0 million, respectively, as if each had been acquired on October 1, 2020. See "*Presentation of Financial and Other Information—Pro Forma Financial Information*". For more information on these acquisitions, see "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Factors Affecting Comparability of Results—Recent Acquisitions*." *Pro forma* EBITDA Margin is equal to *pro forma* EBITDA divided by *pro forma* revenue for the relevant period.

(4) Non-rental equipment principally includes equipment used in our workshops, equipment used to outfit or maintain our branches and information technology and financial assets.

(5) Net capital expenditures is capital expenditures net of proceeds from disposals of fixed assets (excluding right-of-use of leased assets).

(6) Free cash flow is defined as EBITDA less the impact of IFRS 16, net capital expenditures, other operating income and expense (excluding non-cash operating income and expense), financial income and expense (excluding non-cash financial income and expense), taxes (excluding deferred taxes), capital gains on fleet disposals and certain other income and expenses and changes in working capital requirement. We present free cash flow as additional information because we believe it is helpful to investors in highlighting trends in our business. However, other companies may present free cash flow differently than we do. Free cash flow is not a measure of financial performance under IFRS and should not be considered as an alternative to net profit as an indicator of our operating performance or any other measures of performance derived in accordance with IFRS. See "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Free cash flow*."

(7) Gross debt is defined as loans and debt owed to credit institutions, bonds, lease liabilities, bank overdrafts and other financial debt, plus accrued interest on debt, less capitalized debt issuance costs. See "*Capitalization*."

(8) Net debt is defined as gross debt less cash and cash equivalents (cash plus marketable investment securities). Net debt is presented as additional information because we believe that netting cash against debt may be helpful to investors in understanding our financial liability exposure. However, other companies may present net debt differently than we do. Net financial debt is not a measure of financial performance under IFRS and should not be considered as an alternative to any other measures of performance derived in accordance with IFRS. See "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Net debt*" for a reconciliation of net debt to certain financing items on our balance sheet.

(9) The replacement value of the fleet is defined as the estimated replacement cost of the rental fleet based on the price of equipment assumed for purposes of preparing our internal budget as of the date indicated. We cannot assure you that we would be able to replace our fleet at these prices. Amounts as of December 31, 2018 and 2019 exclude the impact of the Ramirent Acquisition.

(10) Changes in revenue for the period indicated compared to the prior comparable period, excluding changes in the scope of consolidation, at constant exchange rates.

The following table sets forth certain financial information as of September 30, 2021 and on an as adjusted basis to give effect to the Transactions. See "*Use of Proceeds*" and "*Capitalization*."

	As of September 30, 2021	
	Actual	**As adjusted**
	(in millions of euros)	
Cash and cash equivalents (11)	**601.9**	**258.4**
Priority debt: (12)		
Bilateral credit facilities, finance leases, and other indebtedness (13)	526.1	526.1
2022 Senior Secured Notes (14)	300.0	—
2023 Senior Secured Notes (14)	250.0	—
2024 Senior Secured Notes (14)	300.0	300.0
2025 Senior Secured Notes (14)	700.0	700.0
April 2026 Senior Secured Notes (14)	300.0	300.0
July 2026 Senior Secured Notes (14)	450.0	450.0
Notes offered hereby (14)	—	350.0
Gross priority debt	**2,826.1**	**2,626.1**
Net priority debt (15)	**2,224.3**	**2,367.7**
Other debt:		
Bilateral credit facilities (16)	189.0	189.0
French State-Guaranteed Loan	231.8	231.8
2025 Senior Subordinated Notes (14)	239.6	119.6
April 2027 Senior Subordinated Notes (14)	191.1	191.1
July 2027 Senior Subordinated Notes (14)	243.3	243.3
IFRS 16 lease liabilities	318.8	318.8
Other	21.1 (17)	12.4 (18)
Gross debt(7)	**4,260.8**	**3,932.1**
Net debt(8)	**3,658.9**	**3,673.7**
Ratio of as adjusted net priority debt to *pro forma* EBITDA (3)(15)		**3.1x**
Ratio of as adjusted net debt to *pro forma* EBITDA (3)(8)		**4.8x**

(11) As adjusted cash and cash equivalents reflects the use of the net proceeds from the offering of the Notes together with cash on hand to fully redeem the 2022 Senior Secured Notes and the 2023 Senior Secured Notes, including accrued and unpaid interest thereon, as well as the redemption of €120.0 million in principal amount of the 2025 Senior Subordinated Notes that took place on November 15, 2021, including accrued and unpaid interest thereon and a €1.8 million redemption premium in respect thereof, in each case as if such redemptions had occurred on September 30, 2021. Regularly scheduled interest payments have occurred on each of the Existing Notes that have been or that are to be redeemed since September 30, 2021 and, as a result, the actual redemption price that was paid for the redeemed 2025 Senior Subordinated Notes on their actual redemption date and the redemption price that will be payable for the 2022 Senior Secured Notes and the 2023 Senior Secured Notes on their actual redemption date differ. As adjusted cash and cash equivalents also reflects €12.4 million paid in connection with the Issuer's recent share buyback. See "*Summary—Recent Developments—Partial Redemption of 2025 Senior Subordinated Notes*", "*Summary—Recent Developments—Closing of Sale of Sparring Capital's Interest in Loxam and Capital Reduction*" and "*Use of Proceeds*".

(12) We define priority debt as secured debt of the Issuer and the Guarantors plus any debt of our subsidiaries, excluding IFRS 16 lease liabilities.

(13) Includes, among others:

- senior unsecured bilateral loans borrowed by our subsidiaries not guaranteeing the Notes under which €45.1 million was outstanding as of September 30, 2021;
- state-guaranteed loans borrowed by certain of our subsidiaries in Spain, Portugal, Italy and Switzerland, under which €29.2 million was outstanding as of September 30, 2021;
- the Commercial Paper Program to which our subsidiary Ramirent Oy is party, providing for borrowings of up to an aggregate of €300.0 million, of which €94.0 million was outstanding as of September 30, 2021;
- €243.8 million of outstanding finance leases as of September 30, 2021, of which €131.4 million was owed by the Issuer and €112.4 million was owed by our subsidiaries; and
- the Nationwide Revolving Facility, under which €114.0 million was outstanding, net of issuance costs.

See "*Description of Certain Financing Arrangements*".

(14) Represents outstanding aggregate principal amount.

(15) Represents gross priority debt less cash and cash equivalents.

(16) Includes borrowings under the Issuer's and Loxam Module SAS' bilateral credit facilities. These bilateral credit facilities consist of senior unsecured loans borrowed by the Issuer and Loxam Module SAS from a variety of banks.

(17) Other financial debt is composed of €28.3 million of accrued interest on debt and €7.8 million of other financial debt, less the unamortized portion of capitalized debt issuance costs of €15.0 million (composed of €0.6 million related to the 2024 Senior Secured Notes, €4.2 million related to the 2025 Senior Secured Notes, €1.3 million related to the April 2026 Senior Secured Notes, €4.1 million related to the July 2026 Senior Secured Notes, €1.2 million related to the 2025 Senior Subordinated Notes, €1.0 million related to the April 2027 Senior Subordinated Notes and €2.6 million related to the July 2027 Senior Subordinated Notes).

(18) Adjustments include (i) an estimated €3.4 million in capitalized debt issuance costs related to the issuance of the Notes offered hereby, (ii) the reversal of €0.6 million in the unamortized portion of capitalized debt issuance costs related to the issuance of the 2025 Senior Subordinated Notes due to their partial redemption and (iii) a payment of €5.8 million in accrued and unpaid interest to, but excluding, September 30, 2021 on the 2022 Senior Secured Notes, the 2023 Senior Secured Notes and the 2025 Senior Subordinated Notes in connection with their redemption, as if the redemption had occurred on September 30, 2021. Regularly scheduled interest payments have occurred on each of the Existing Notes to be redeemed since September 30, 2021 and, as a result, the actual redemption price payable for each of the Existing Notes to be redeemed on the assumed redemption date will differ. See "*Use of Proceeds*".

RISK FACTORS

An investment in the Notes involves a high degree of risk. You should carefully consider the risks described below, together with other information provided to you in this listing prospectus, before deciding whether to invest in the Notes. Any of the risks described below, individually or together, could have a material adverse effect on our business, financial condition, results of operations, ability to meet our financial obligations and prospects as well as the value of the Notes. The risks described below are not the only risks we face. Additional risks not currently known to us or that we now deem immaterial may also harm us and affect your investment.

Risks Related to Our Industry

Demand for our equipment fluctuates due to the cyclical nature of the industries in which we operate and according to general economic conditions.

Our equipment is principally used in connection with construction and civil engineering activities, in addition to industrial activities. These sectors in the markets where we operate are cyclical industries with activity levels that tend to increase during periods of economic growth and decline during economic downturns. The demand for our products is strongly correlated to conditions in the general economy and in the construction, engineering and industrial sectors. Consequently, a downturn in construction, civil engineering or industrial activities, or the economy as a whole, generally leads to decreased demand for our equipment. Downturns also intensify price competition as equipment rental providers seek to increase utilization of idle equipment.

Construction and civil engineering activities, which account for a majority of our revenue, may be impacted, either temporarily or over the long-term, by changes in:

- government infrastructure spending;
- construction spending levels by either public or private customers;
- the credit markets affecting our customers' ability to undertake new construction projects;
- the cost of construction materials; or
- weather conditions affecting a particular region.

Changes in these or other factors caused by deterioration in the construction and civil engineering sectors could have a material adverse effect on our financial position, results of operations and cash flows in the future. For example, during the strictest lockdown periods in Spring 2020 in certain geographies, particularly in France, we experienced a sudden drop in demand for our products and services. Additionally, we are exposed to the Middle East market, which is more volatile than the markets in which we have traditionally operated. If in any of our markets the economic conditions deteriorate or a return to economic growth is further delayed, our business, financial position, results of operations and cash flows could be adversely affected.

The equipment rental industry is highly competitive, which puts downward pressure on prices.

The equipment rental industry is highly competitive. Many of the markets in which we operate are served by numerous competitors, ranging from national and multi-regional equipment rental companies to small, independent businesses with a limited number of locations. We may encounter increased competition from existing competitors or new market entrants in the future.

In France, we face competition principally from national rental companies as well as from regional and local entities. In our international markets, we similarly face competition from well-established local and national competitors. Some of our competitors outside of France may have greater financial, marketing and other resources than we do. Our competitors may be more specialized or may have greater name recognition in some markets. We also face competition from smaller competitors operating at regional or local levels, many of whom benefit from a strong market presence and local relationships. Over time, our competitors, whether global, national, regional or local, could consolidate their businesses, and the diversified service offerings or increased synergies of these consolidated businesses could increase competition in the sectors in which we operate. Additionally, our customers might choose to use the services of our competitors rather than ours. Given that our top 10 clients at the Group level represented approximately 11% of our revenue for the twelve months ended June 30, 2021, our results might be negatively affected if we lose any of our top 10 clients to our competitors. These or other changes to the competitive landscape of our industry could result in a loss of market share, decreased revenue and a decline in profitability.

From time to time, we or our competitors may attempt to compete aggressively by lowering rental rates or prices. To the extent we lower rental rates or increase our fleet in order to retain or increase market share, our operating margins would be adversely affected. In addition, we may not be able to match a competitors' price reductions or fleet investment, which could cause our customers to reduce their level of business with us. Termination of contractual arrangements by our customers may result in decreased market share and revenue.

The cost of equipment purchases for use in our rental fleet may increase.

The cost of new equipment that we purchase for our rental fleet may increase as a result of a number of factors, including increased raw material costs, such as increases in the cost of steel, which is a primary material used in most of our equipment, scarcity of component parts necessary to manufacture our equipment or inflation generally. These increases could materially affect our financial condition or results of operations in future periods if we are not able to pass such cost increases through to our customers. In addition, changes in customer demand due to changed technology, safety or environmental concerns, regulations, or other factors could cause certain of our existing equipment to become obsolete and require us to purchase new equipment, which would increase our costs.

A regional or global health pandemic, including the ongoing COVID-19 pandemic, may adversely affect our business and exacerbate other risks discussed within this section.

Public health crises, epidemics or pandemics could materially and adversely affect our business. For example, in December 2019, a novel strain of coronavirus causing a respiratory disease known as COVID-19 surfaced in Wuhan, China. The outbreak of COVID-19 was declared by the World Health Organization to be a pandemic in March 2020. To combat the COVID-19 pandemic, governments around the world, including in most countries where we operate our activities, imposed restrictive measures, including travel restrictions, curfews, lockdowns, quarantines and shutdowns of businesses and workplaces. Such measures have had a material adverse impact on the global economy. The economic effects of the COVID-19 pandemic will likely continue to be felt in the coming years. In addition, political repercussions of responses to the COVID-19 outbreak by European Union institutions as well as by other countries in the European Union could have complex and hard-to-predict consequences for the future, including a destabilization of the European Union or its institutions or a slow-down or reversal of European integration, already impacted by the exit of the United Kingdom from the European Union effective January 1, 2021. It is unclear whether measures taken by European Union institutions, the French government and other governments of the countries in which we operate to contain the COVID-19 pandemic are adequate and effective to achieve containment.

Although our operations are currently running without significant disruption related to COVID-19, the situation remains uncertain and could change quickly. The COVID-19 pandemic caused a downturn in construction, company events, civil engineering and industrial activities and had a significant impact on our revenue during the year ended December 31, 2020. To a limited extent, the lingering impacts of the pandemic, as well as other macroeconomic factors, have continued to have an impact on our level of activity in certain regions, including in the Nordic countries and the United Kingdom. The worsening of the ongoing pandemic or another economic downturn caused by this or any other public health crisis could materially and adversely affect our business, results of operations or financial condition.

While we continue to monitor our operations in the context of all government recommendations and have adopted several operational measures in respect thereto, and we may take further actions as required by government authorities or that we determine are in the best interests of our employees, customers, partners and suppliers, there is no certainty that all such measures will be sufficient to mitigate the risks related to the continuing spread of the disease and that we will not be subject to third-party claims arising from actual or alleged failures to implement any such measures adequately, or at all, thus resulting in a potential increase in legal, advisory and other costs in relation thereto.

To the extent the COVID-19 pandemic adversely affects our business, results of operation, financial condition, cash flows and prospects, as well as our ability to perform our obligations under the Notes, it may also have the effect of heightening many of the other risks described in this "*Risk Factors*" section. For further information on the impact of COVID-19 on our business and operations, see "*Management's Discussion and Analysis of Financial Condition and Results of Operations*."

Unfavorable conditions or disruptions in the capital and credit markets may adversely affect business conditions and the availability of credit.

Disruptions in the global capital and credit markets as a result of an economic downturn, economic uncertainty, regulatory changes, financial institution failures, pandemics or other factors could adversely affect our ability to access liquidity to invest in our equipment fleet. Unfavorable market conditions may depress construction markets by making it difficult for our customers to obtain financing for their projects and credit on reasonable terms, which may cause more of our customers to be unable to meet their payment obligations to us, increasing losses on bad debt. Delinquencies and credit losses generally can be expected to increase during economic slowdowns or recessions. See "*—Risks Related to our Business—If we are unable to collect amounts due from customers, our operating results would be adversely affected*." Moreover, our suppliers may be adversely impacted by unfavorable capital and credit markets, causing disruption or delay of product availability. These events could negatively impact our business, financial position, results of operations and cash flows.

In addition, if the financial institutions that have extended credit commitments to us are adversely affected by the conditions of the capital and credit markets, they may be unable to fund borrowings under those credit commitments, which could have an adverse impact on our financial condition and our ability to borrow funds, if needed, for capital expenditures, working capital, acquisitions, and other corporate purposes.

Risks Related to Our Business

Our business could be hurt if we are unable to obtain additional capital as required.

We use cash generated from our operations, together with borrowings under our credit facilities and bond issuances, to fund our capital requirements. This cash may be insufficient and we may require additional financing to obtain capital for, among other purposes, purchasing equipment, completing acquisitions, establishing new locations and refinancing existing indebtedness. In the past we mainly relied on borrowings under our bilateral credit facilities to fund our capital expenditures. See "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Capital Expenditures*." In the future we may need to rely on different sources of financing for our capital expenditures. Our level of capital expenditures significantly affects the age and size of our equipment fleet, and if we are required to reduce these expenditures for any reason, the reduced availability of equipment or the age of our rental fleet may cause us competitive harm and increase our maintenance costs. Any additional indebtedness that we incur will make us more vulnerable to economic downturns and limit our ability to withstand competitive pressures. If we are unable to obtain sufficient financing in the future, our business could be adversely affected.

Our revenue and operating results fluctuate.

Our revenue and operating results have historically varied from period to period. A decline in general economic conditions and/or activity in the industries in which we operate could result in an overall decline in cash flows and profitability and make it more difficult for us to make payments on our indebtedness and grow our business. We expect our results to continue to fluctuate in the future due to a number of factors, including:

- general economic conditions in the markets where we operate;
- the cyclical nature of our customers' business, particularly our construction customers;
- seasonal sales and rental patterns of our construction customers, with sales and rental activity decreasing in the winter months;
- severe weather temporarily affecting the regions where we operate;
- changes in private sector demand for plants and facilities or changes in government spending for infrastructure projects;
- our relatively high level of fixed costs, which causes revenue declines to significantly affect cash flow and profitability;
- the effectiveness of integrating acquired businesses and new start-up locations; and
- timing of acquisitions and new location openings and related costs.

In addition, we may lose sales and incur various costs when integrating newly acquired businesses or opening new start-up locations, and the profitability of a new location is lower in the initial months of operation.

We may be unable to forecast trends accurately.

Our decisions about investments in new equipment are based in significant part on our views of future demand. We believe that our experience in the rental equipment market allows us to recognize inflection points (the points at which demand is poised to level off or change direction) in the cycles affecting the construction and civil engineering sectors, so that we can increase investment just before the bottom of the cycle (before we expect demand to expand) and decrease investment just before the top of the cycle (before we expect demand to contract). However, economic volatility or uncertainty makes it difficult for us to forecast trends and set appropriate investment levels, which may have an adverse impact on our business and financial condition. If anticipated growth does not occur, we may not earn the level of returns that we hope to achieve on investments made during the bottom of the cycle. More generally, uncertainty regarding future product demand in the markets in which we operate could cause us to maintain excess equipment inventory and increase our capital expenditures beyond what is efficient. Alternatively, this forecasting difficulty could cause a shortage of equipment for rental that could result in an inability to satisfy demand for our products and a loss of market share.

We may not be able to execute our growth strategy by identifying or completing transactions with attractive acquisition candidates, and future acquisitions may result in significant transaction expenses and integration risks.

We have historically expanded our business through organic and external growth. While we have generally focused on small to mid-sized acquisition targets, we have also undertaken more significant, strategic and transformational combinations, such as the Lavendon Acquisition and the Ramirent Acquisition. Similar larger transactions may produce pronounced transactional expenses and integration risks. The management of our operations has become increasingly complex over the past three years as we have undertaken a significant number of acquisitions and have expanded our business into geographic markets in which we have not previously operated.

We cannot assure you that we will be able to identify attractive acquisition candidates or complete the acquisition of any identified candidates at favorable prices and upon advantageous terms. We expect to face competition for acquisition candidates, which may limit the number of acquisition opportunities and lead to higher acquisition costs. We may not have the financial resources necessary to consummate any acquisitions or the ability to obtain the necessary funds on satisfactory terms. Furthermore, general economic conditions or unfavorable global capital and credit markets could affect the timing and extent to which we successfully acquire new businesses.

Risks associated with our acquisition strategy, which could materially adversely affect our business, results of operations and financial condition, include the following:

- we may lose sales and incur substantial costs, delays or other operational or financial problems in integrating acquired businesses and integration may be more costly and take longer than expected;
- we may not achieve financial and operational synergies on a timely basis or without significant costs, if at all;
- acquisitions may divert management's attention from the operation of the existing business;
- the assumptions underlying the business plans supporting the valuations of the acquisitions and expected synergies may prove inaccurate, in particular with respect to the future performance of the acquired businesses;
- we may be forced to divest or reduce the scope of certain businesses so as to obtain the necessary regulatory authorizations, in particular with respect to anti-trust authorizations;
- we may need to write down goodwill and certain other intangible assets from our balance sheet if our initial estimates of the value of an acquired business are higher than actual results;
- we may be further exposed to risks of fluctuations in currency exchange rates;
- we may not be able to retain key personnel or customer contracts of acquired businesses;

- we may operate an acquired company as a joint venture with partners with whom we lack a longstanding relationship; and
- we may encounter unanticipated events, circumstances or liabilities related to the acquired businesses, their integration and the growth of our business, particularly in geographic areas in which we have not previously operated.

In the short-term, the disruptive effects of an acquisition can result in, among other things, lower employee productivity and increased advantages for our competitors, which may cause a decline in revenue from the acquired businesses. We have historically integrated acquired businesses into the Group gradually to preserve client relationships, and this integration period tends to be longer for larger acquisitions with many branches. As we have recently undertaken a more significant combination with the completion of the Ramirent Acquisition, the integration risks related to this combination could result in more significant combination expenses than for previous acquisitions. In the longer term, there can be no assurance that, following integration into our Group, an acquired business will be able to maintain its customer base consistent with expectations or generate the expected margins or cash flows. Although we typically thoroughly analyze each acquisition target, our assessments are subject to a number of assumptions concerning profitability, growth, interest rates and company valuations. In addition, we may have difficulties in implementing our business model within an acquired company due to various factors, including corporate culture. There can be no assurance that our assessments of and assumptions regarding acquisition targets will prove to be correct and actual developments may differ significantly from our expectations.

Furthermore, acquisitions of companies expose us to the risk of unforeseen obligations with respect to employees, customers, suppliers and subcontractors of acquired businesses, public authorities and other parties. Although we typically engage in diligence while analyzing an acquisition opportunity, we cannot ensure that there will not be unexpected risks, liabilities or obligations that could have a material adverse effect on our business, results of operations or financial condition.

In addition to the risks described above, the integration of acquired businesses in our International division may be more difficult and take more time due to logistical, regulatory, linguistic, cultural and other factors such as our relative lack of familiarity with a given market and its economic, political and social dynamics. Such risks include significant exposure of local economies and government spending (and thus of demand and pricing for equipment rentals) to the level of oil prices, as well as economic instability, political volatility, civil war, violent conflict, social unrest or action by terrorist groups. Any of these risks in could negatively affect our operations, revenue and profits in the affected country and for the Group generally, and competitors may take advantage of these difficulties to weaken our customer base.

Our ability to manage our growth and integrate operations, technologies, services and personnel depends on our administrative, financial and operational controls and our ability to create the infrastructure necessary to exploit market opportunities, as well as our financial resources. In order to compete effectively and to grow our business profitably, we will need, on a timely basis, to maintain and improve our financial and management controls, reporting systems and procedures, implement new systems as necessary, attract and retain adequate management personnel, and hire, retain and train a highly qualified workforce. Furthermore, we expect that as we continue to introduce new product offerings and enter new markets, we will be required to manage an increasing number of relationships with various customers and other third parties. The failure or delay of our management in responding to these challenges could have a material adverse effect on our business, financial condition and result of operations.

We may not be able to execute our growth strategy by identifying and opening attractive new branch locations.

An element of our growth strategy is to selectively identify and implement new branches, both in France and in our international markets. We cannot assure you that we will be able to identify attractive new branch locations. Opening new branches may require significant investments and may involve risks associated with entering new markets, including markets where we face significant competition. We may not have sufficient management, financial and other resources to successfully operate the new branches. Any significant diversion of management's attention or any major difficulties encountered in the locations that we open in the future could have a material adverse effect on our business, financial condition or results of operations, which could decrease our profitability and make it more difficult for us to grow our business. Furthermore, general economic conditions or unfavorable global capital and credit markets could affect the timing and extent to which we open new branches, which could adversely affect our revenue and profitability.

We are dependent on our executives, managers and employees.

Our success depends, to a large degree, upon the continued service and skills of our existing management team, particularly our chairman and chief executive officer, Mr. Gérard Déprez, our managing director, Mr. Stéphane Hénon and other executive managers. Our management team has significant industry experience. If we lose the services of any key member of our senior management team and are unable to find a suitable replacement in a timely manner, it may be a challenge for us to effectively manage our business and execute our strategy.

Our success also depends on the experience and skills of our regional managers and branch managers, who have extensive knowledge and industry experience. Competition for managers within our industry is generally significant, and, if any of our senior or regional managers joins a competitor or forms a competing company, we may lose customers, know-how and other personnel.

In addition, we depend upon the quality of our staff personnel, including sales and customer service personnel who routinely interact with and fulfill the needs of our customers. There is no assurance we can continue to attract, hire, train and retain qualified personnel. A significant increase in personnel turnover could negatively affect our results of operations and financial performance.

If we are unable to collect amounts due from customers, our operating results would be adversely affected.

One of the reasons some of our customers find it more attractive to rent equipment than own that equipment is the need to deploy their capital elsewhere. However, some of our customers may have liquidity problems and ultimately may not be able to fulfill the terms of their rental agreements with us. Delinquencies and credit losses generally can be expected to increase during economic slowdowns or recessions. If we are unable to manage credit risk adequately, or if a large number of customers faces financial difficulties at the same time, or if we are unable to collect amounts due by customers, our credit losses could increase above historical levels and our operating results would be adversely affected.

We depend on equipment manufacturers to obtain adequate rental equipment for our fleet on a timely basis.

We purchase most of our rental equipment from well-known original equipment manufacturers. As we do not manufacture any of the products that we rent to our customers, we rely on third-party suppliers for the provision of the equipment, tools, spare parts and consumables that are essential to our business. However, our suppliers may not be able to fulfill the terms of their agreements with us on a timely basis or at all for logistical or strategic reasons, including issues affecting the global supply chain generally as a result of economic disruption in the wake of the COVID-19 crisis. Further, suppliers may be unwilling to extend contracts that provide favorable terms to us, or they may seek to renegotiate existing contracts with us. As a result, we could face increased costs for our equipment or longer delivery times. Delays in the delivery of new equipment may impair our ability to respond to increases in demand and may cause us to miss opportunities in our markets. We may not be able to find alternative sources of supply for the equipment we purchase in each of our core product categories, and the termination or delay of equipment orders by a major supplier could have a material adverse effect on our business, financial condition or results of operations.

The maintenance and repair costs associated with our rental fleet may increase.

As the equipment in our rental fleet ages, the cost of maintaining such equipment, if not replaced within a certain period of time, generally increases. Determining the optimal average age for disposal of our rental fleet is subjective and requires considerable estimates by management. Our future operating results could be adversely affected because our maintenance and repair costs may be higher than estimated.

Our rental fleet is subject to residual value risk upon disposition.

Our approach to fleet management is to replace equipment only at the end of its useful rental life, at which time it is used for parts, sold for scrap or sold at auction. Usually a piece of equipment is fully amortized down to its residual value by the time it is removed from the fleet. Nonetheless, the market value of any given piece of rental equipment could be less than its depreciated value or residual value at the time it is sold. The market value of used rental equipment depends on several factors, including:

- general economic conditions;
- worldwide and domestic demands for used equipment;

- the supply of used equipment on the market;
- the market price for new equipment of the same kind; and
- wear and tear on the equipment relative to its age.

We include in the line "other operating income" in our income statement the difference between the sales price and the depreciated value of an item of equipment sold. Any significant decline in the selling prices for used equipment could have an adverse effect on our results of operations or cash flows.

Disruptions in our information technology system could limit our capacity to effectively monitor and control our operations.

We rely on information technology systems to track and bill our services, manage our fleet and gather information upon which our management makes decisions regarding our business. Our information technology systems also facilitate our ability to adjust to changing market conditions and customer needs. The administration of our business is increasingly dependent on the use of these systems. The risk of a security breach or disruption, particularly through cyber-attack or cyber intrusion, has risen as the number, intensity and sophistication of attempted attacks and intrusions around the world have increased. We can provide no assurance that our information technology systems are fully protected against such third-party intrusions or against viruses, ransom ware, or similar threats. Disruptions resulting from these threats, system crashes or other causes could have a material adverse effect on our business. In particular, we use several ERP systems across our network and any disruption to our ERP systems, or the failure of any of these systems to operate as expected could, depending on the magnitude of the problem, adversely affect our operating results. We back-up most of our data daily and have a disaster recovery plan in place for most of our systems, including our ERP system. However, our disaster recovery plan does not cover all of our systems. Our back-up systems may fail and any recovery of our data may be incomplete or subject to delay.

In addition, because our systems sometimes contain information about individuals and businesses, our failure to appropriately safeguard the security of the data we hold, whether as a result of our own error or the malfeasance or errors of others, could harm our reputation or give rise to legal liabilities. In certain of the regions in which we operate, the processing of personal data is subject to governmental regulation and legislation. Any failure to comply with such regulations or legislation could lead to governmental sanctions, including fines or the initiation of criminal or civil proceedings. In the European Union, we must comply with strict data protection and privacy laws that restrict our ability to collect and use personal information relating to customers and potential customers, including the marketing use of that information. In particular, Regulation (EU) 2016/679 of April 27, 2016 (known as the "General Data Protection Regulation" or "GDPR"), which became applicable on May 25, 2018, increased both the number of and the restrictive nature of the obligations binding on us for the collection and processing of personal data. Although we collect and store a limited amount of personal data, failure to comply with the provisions of GDPR could adversely affect our business, results of operations or financial condition.

We are exposed to various risks related to legal proceedings or claims that may exceed the level of our insurance coverage.

We are a party to lawsuits in the normal course of our business. Litigation in general can be expensive, lengthy and disruptive to normal business operations. Moreover, the results of complex legal proceedings are difficult to predict. Responding to lawsuits brought against us, or legal actions that we may initiate, can often be expensive and time-consuming and can divert management's attention. Unfavorable outcomes from claims or lawsuits could adversely affect our business, results of operations or financial condition. We could suffer reputational harm, incur substantial monetary liability and be required to change our business practices.

Our business exposes us to claims for personal injury, death or property damage resulting from the use of the equipment we rent, for injuries caused in motor vehicle accidents in which our delivery and service personnel are involved and for other employee-related matters. Additionally, we could be subject to potential litigation associated with compliance with various laws and governmental regulations, such as those relating to employment, health, safety, security and other regulations under which we operate.

We may not always be able to carry comprehensive insurance, subject to deductibles, at levels we believe are sufficient to cover existing and future claims. Moreover, we may be exposed to multiple claims that do not exceed our deductibles, and, as a result, we could incur significant out-of-pocket costs that could adversely affect our financial condition and results of operations. In addition, the cost of such insurance policies may increase upon renewal of those policies as a result of general rate increases for the type of insurance we carry as well as our historical experience and experience in our industry. Our existing or future claims may exceed the coverage level of our insurance, and such insurance may not continue to be available on economically reasonable terms, or at all. If we are required to pay significantly higher premiums for insurance, are not able to maintain insurance coverage at affordable rates or if we must pay amounts in excess of claims covered by our insurance, we could experience higher costs that could adversely affect our financial condition and results of operations.

Labor disputes could disrupt our operations or lead to higher labor costs.

We are subject to the risk of labor disputes, which may disrupt our operations. Labor laws applicable to our business in certain countries, particularly France, are relatively rigorous. In numerous cases, labor laws provide for the strong protection of employees' interests. In addition, some of our employees are members of unions or, based on applicable regulations, represented by work councils or other bodies. In many cases, we must inform, consult with and request the consent or opinion of union representatives or work councils in managing, developing or restructuring certain aspects of our business. These labor laws and consultative procedures could limit our flexibility with respect to employment policy or economic reorganization and could limit our ability to respond to market changes efficiently. Even where consultative procedures are not mandatory, important strategic business decisions could be negatively received by some employees and employees' representative bodies, which could lead to labor actions that could disrupt our business.

We may not be able to maintain good relations with our employees and our operations may be materially affected by strikes, work-stoppages, work-slowdowns or other labor-related developments in the future, which could disrupt our operations and adversely affect our business, financial condition and results of operations. Our employees in certain countries benefit from collective bargaining agreements, and we may not be able to periodically renegotiate collective agreements on acceptable terms. Settlement of actual or threatened labor disputes or an increase in the number of our employees covered by collective bargaining agreements may adversely affect our labor costs, productivity and flexibility.

Many of our suppliers and customers have unionized work forces. Strikes, work-stoppages or work-slowdowns experienced by these suppliers or customers could materially and adversely affect our business, financial condition and results of operations. See "*Business—Legal Proceedings*."

Our international operations, particularly in emerging markets, expose us to risks inherent to international business, any of which could affect our results of operations.

We are present in 30 countries worldwide. As a result, we are subject to numerous, rapidly evolving and complex laws and regulations which govern, among other things, labor matters, immigration, health and safety, financial reporting standards, corporate governance, tax, trade regulations, export controls, and competitive practices in each jurisdiction where we conduct our business. Furthermore, we need to comply with various local standards and practices of different regulatory, tax, judicial and administrative bodies specific to each jurisdiction in which we operate.

There are multiple risks associated with the global nature of our operations, including political instability (such as the threat of war, terrorist attacks or civil unrest), inconsistent regulations across jurisdictions, unanticipated changes in the regulatory environment and import and export restrictions. Furthermore, these risks may be greater in certain areas where we operate, particularly outside Europe. Any of these events may affect our employees, reputation, business or financial results as well as our ability to meet our objectives, including the following specific business risks:

- negative economic developments in economies around the world;
- social and political instability in a number of countries around the world;
- potential terrorist attacks;
- epidemics and pandemics, which may adversely affect our workforce and suppliers;
- adverse changes in governmental policies, especially those affecting trade and investment; and
- inflation, recession, fluctuations in foreign currency exchange and interest rates, burdensome fiscal policies and transfer restrictions.

We are also reliant on local managers to oversee the day-to-day functioning of our branches and to ensure their compliance with local law, and we may be subject to risks based on insufficient oversight. In such cases, or if any of these international business risks were to materialize or exacerbate, we could be fined or otherwise sanctioned by regulators, which could adversely affect our business, financial condition and results of operations.

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 and evolving tax legislation in the countries in which we operate, as well as international tax laws. Changes in tax laws or regulations or in their interpretation could adversely affect our tax position, such as 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. Among the set of proposed measures, 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") of the general interest limitation rule provided for by the ATAD. 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 *code général des impôts* (the "French Tax Code"). See "*—Risks Related to the Notes and Our Capital Structure—French tax legislation may restrict the deductibility, for French tax purposes, of all or a portion of the interest on our indebtedness 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"), 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. 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 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 – the European Commission having made public a proposed directive on December 22, 2021 which once adopted, should be transposed by European member states prior to June 30, 2023 and then entry into force on January 1, 2024, (ii) adopt a recommendation on the domestic treatment of losses and (iii) make a legislative proposal creating a Debt Equity Bias Reduction Allowance ("DEBRA").

On October 8, 2021, members of the OECD/G20 Inclusive Framework on BEPS (the Inclusive Framework) agreed to the Statement on the Two-Pillar Solution to Address the Tax Challenges Arising from the Digitalisation of the Economy reflecting the agreement reached by 136 out of the 140 Inclusive Framework members. The Two-Pillar Solution is comprised of Pillar One and Pillar Two.

Pillar One aims at ensuring a distribution of profits and taxing rights among countries with respect to the largest multinational enterprises ("MNEs") through the re-allocation of taxing rights over 25% of the residual profit of the largest and most profitable MNEs to the jurisdictions where the customers and users of those MNEs are located.

Pillar Two puts a floor on tax competition on corporate income tax through the introduction of a global minimum corporate tax at a rate of 15% that countries can use to protect their tax bases (the GloBE rules). On December 20, 2021, the OECD published the pillar two model rules (the "Model Rules") for the domestic implementation of the 15% global minimum tax rate agreed upon in October 2021. The new Model Rules aim to assist countries to bring the GloBE rules into domestic legislation. They provide for a coordinated system of interlocking rules that (i) define the MNEs within the scope of the minimum tax; (ii) set out a mechanism for calculating an MNE's effective tax rate on a jurisdictional basis, and for determining the amount of top-up tax payable under the rules; and (iii) determine the member of the MNE group which will be required to pay the top-up tax.

On December 22, 2021, the European Commission published a legislative proposal for a Directive setting forth rules to ensure a global minimum level of taxation for multinational groups. The draft Directive aims at consistently implementing among all 27 member states the Model Rules that include an Income Inclusion rule ("IIR") and an Under Taxed Payment Rule ("UTPR"). However, it also extends its scope to large-scale purely domestic groups, in order to ensure compliance with the European Union fundamental freedoms. In addition, the draft Directive makes use of an option contemplated by the Inclusive Framework whereby the member state of a low-taxed income entity (referred as constituent entity) applying the IIR is required to ensure effective taxation at the minimum agreed level not only for foreign subsidiaries but also for all constituent entities residents in that member State. The proposal will move to the negotiation phase among the Member States with the aim of reaching a final agreement; the European Commission proposes that the member states shall transpose the Directive into their national laws by December 21, 2022 for the rules to come into effect as of January 1, 2023 (with the exception of the UTPR, for which the application will be deferred to January 1, 2024).

The development of model legislation, a Multilateral Convention and a multilateral instrument for the implementation of the Two-Pillar Solution are expected to be finalized on 2022 in order the Two-Pillar Solution to be effective on 2023.

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.

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

Damage to our reputation and our brand could adversely affect our business.

We believe that we have developed a reputation and brand images associated with a high-quality fleet of rental equipment, customer service, reliability and social and environmental responsibility. We believe our brands reflect such characteristics and qualities. Our brand names, trademarks and logos, as well as their respective reputation are valuable and powerful sales and marketing tools. Adverse publicity, whether justified or not, relating to our operations, rental equipment or employees, as well as involuntary representation of our brand on social media or other media, whether initiated by our employees, former employees, customers, suppliers and/or third parties, could harm our reputation, impair the image of our brands and reduce their value. Furthermore, although our customers are generally responsible for the way in which they handle our rental equipment and despite our efforts to promote training and safety, accidents involving our equipment can and do occur. The occurrence of such accidents can have an impact on the perceived image of our brands.

The availability of information on social media platforms and devices is virtually immediate as is its impact. Social media platforms and devices immediately publish the content their subscribers and participants post, often without filters or checks on accuracy of the content posted. The opportunity for dissemination of information, including inaccurate information, is significant. Information concerning or affecting us may be posted on such platforms and devices at any time, including by our employees, former employees, customers and/or suppliers. Such information posted may be inaccurate and adverse to us, and it may harm our business. The harm may be immediate without affording us an opportunity for redress or correction. Such platforms could be used also for the dissemination of trade secret information or compromise of other valuable company assets, any of which could harm our business. In addition, negative commentary regarding our businesses or operation may negatively impact our reputation, the perception of our brand and the quality and of our service offerings.

We are exposed to the risk of violations of anti-corruption laws, sanctions or other similar regulations applicable in the countries in which we operate or intend to operate.

We must comply with certain anti-corruption laws, sanctions or other similar regulations in each of the jurisdictions in which we operate. For instance, the U.S. Foreign Corrupt Practices Act of 1977, the U.K. Bribery Act 2010, the French law of December 9, 2016 relating to transparency, fighting corruption and modernizing economic life (more widely known as the "Sapin II Law") and other similar worldwide anti-corruption laws generally prohibit companies and their intermediaries from making improper payments to foreign officials for the purposes of obtaining or retaining business. We operate in certain parts of the world that lack a developed legal system or have experienced widespread corruption. Under some circumstances, strict compliance with anti-corruption laws may conflict with local customs and practices. Our internal policies mandate compliance with these laws, but despite our compliance policies and training efforts, we cannot assure you that our internal control policies and procedures will always protect us from acts committed by our employees.

Further, due to the global nature of our operations, we may use local agents or subcontractors to understand unfamiliar environments and differences in cultural, legal, financial and accounting complexities and obligations, or to carry out a portion of the activities called for by a particular contract. There is a risk that such agents or subcontractors may be involved in illegitimate activities in local markets that are unknown to us. If we fail to adequately supervise them or maintain an adequate compliance program, we may be liable for their actions. Similarly, our clients and suppliers may be involved in activities that our onboarding and diligence procedures may be unable to detect and that may put us at risk for non-compliance with anti-corruption and similar laws.

Violations of such laws can result in civil penalties, including fines, denial of export privileges, injunctions, asset seizures, debarment from government contracts, termination of existing contracts, revocations or restrictions of licenses, criminal fines or imprisonment. In addition, such violations could also negatively impact our reputation and consequently, our ability to win future business. On the other hand, any such violation by our competitors, if undetected, could give them an unfair advantage when bidding for contracts. The consequences that we may suffer due to the foregoing could have a material adverse effect on our business, financial condition and results of operations.

Our internal control and compliance processes may fail to prevent regulatory penalties and reputational harm.

We operate a decentralized business through more than one thousand branches across multiple jurisdictions. Our internal control and compliance processes may not prevent all future breaches of law, accounting standards or our internal codes of conduct. We may experience instances of fraudulent behavior and dishonesty by our employees, contractors or other agents. Any failure to comply with applicable laws and other standards could subject us to fines, legal proceedings, loss of operating licenses and reputational harm.

Changes in applicable law, regulations or requirements, or our material failure to comply with any of them, can increase our costs and have other negative impacts on our business.

We operate in 30 countries in Europe, the Middle East and northern Africa and South America, which exposes us to numerous EU, national and local regulations. These laws and requirements address multiple aspects of our operations, such as worker safety, consumer rights, privacy and employee benefits, and can often have different requirements in different jurisdictions. In addition, changes in regulations could impact the ability of rental operators to utilize their equipment in certain types of projects, affecting the competitive landscape in those projects, as well as in other areas in which the non-conforming equipment may be redeployed. Changes in regulatory requirements, or any material failure by our branches to comply with them, can increase our costs, affect our reputation, limit our business, drain management time and attention and adversely affect our business, financial condition and results of operations.

We could be adversely affected by environmental and safety requirements, which could force us to increase capital expenditures and may subject us to unanticipated liabilities.

Our operations generally do not raise significant environmental risks, but we use hazardous materials to clean and maintain equipment, dispose of solid and hazardous waste and waste water from equipment washing, and store and dispense petroleum products from underground and above ground storage tanks located at certain of our locations. As a result, like other companies engaged in similar businesses that require the handling, use, storage and disposal of regulated materials, we are required to follow environmental and occupational health and safety laws and regulations.

Environmental laws also impose obligations and liability for the cleanup of properties affected by hazardous substance spills or releases. These liabilities can be imposed on the parties generating or disposing of such substances or the operator of the affected property, often without regard to whether the owner or operator knew of, or was responsible for, the presence of hazardous substances. Accordingly, we may become liable, either contractually or by operation of law, for remediation costs even if a contaminated property is not presently owned or operated by us, or if the contamination was caused by third parties during or prior to our ownership or operation of the property. There can be no assurance that prior site assessments or investigations have identified all potential instances of soil or groundwater contamination. Future events, such as changes in existing laws or policies or their enforcement, or the discovery of currently unknown contamination, may give rise to additional remediation liabilities, which may be material.

Although expenses related to environmental and safety compliance and/or remediation have not been material to date, we have made and will continue to make capital and other expenditures in order to comply with these laws and regulations. However, the requirements of these laws and regulations are complex, change frequently, and could become more stringent in the future. We may not be in complete compliance with all such requirements at all times, and we may be subject to potentially significant civil or criminal fines or penalties if we fail to comply. New regulatory requirements or interpretations or additional liabilities that arise in the future may have a material adverse effect on our business, financial condition and results of operations.

Risks Related to the Notes and Our Capital Structure

Our level of indebtedness could adversely affect our ability to react to changes in our business, and we may be limited in our ability to fulfill our obligations with respect to the Notes, and to use debt to fund future capital needs.

We are, and after the issuance of the Notes will continue to be, highly leveraged. On an as adjusted basis after giving effect to the Transactions, our total consolidated financial debt as of September 30, 2021 was €3,613.3 million. See "*Capitalization*."

Our substantial indebtedness could have important consequences to holders of the Notes by adversely affecting our financial position including, but not limited to:

- requiring us to dedicate all of our cash flow from operations (after the payment of operating expenses) to payments with respect to our indebtedness, thereby reducing the availability of our cash flow for working capital, capital expenditures, acquisitions, joint ventures, product research and development, and other general corporate expenditures;

- increasing our vulnerability to, and reducing our flexibility to respond to, adverse general economic or industry conditions;

- limiting our flexibility in planning for, or reacting to, competition or changes in our business or industry;

- limiting our ability to borrow additional funds and increasing the cost of any such borrowing;

- restricting us from making strategic acquisitions or exploring business opportunities; and

- placing us at a competitive disadvantage relative to competitors that have less debt or greater financial resources.

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

In addition, we may be able to incur substantial additional debt in the future, including indebtedness in connection with any future acquisition. Although the terms of the indentures governing the Existing Notes and the Notes, the Revolving Credit Facility Agreement, the Nationwide Revolving Facility Agreement and the PGEs will and/or do contain restrictions on the incurrence of additional indebtedness, these restrictions are subject to a number of significant qualifications and exceptions, and under certain circumstances the amount of indebtedness that could be incurred in compliance with these restrictions could be substantial. Under the Indenture, in addition to specified permitted indebtedness, (i) we (and any guarantor) will be able to incur additional indebtedness so long as our fixed charge coverage ratio (as defined in the Indenture) is at least 2.00 to 1.00; and (ii) we (and any restricted subsidiary) will be able to incur additional indebtedness so long as, in the case of additional indebtedness that is Senior Secured Debt (as defined in the Indenture), if our Consolidated Net Senior Secured Leverage Ratio (as defined in the Indenture) is less than 3.92 to 1.00, on a *pro forma* basis. The Indenture will also allow us to incur the greater of €345.0 million and 46.0% of the Consolidated Cash Flow (as defined in the Indenture) of the Issuer, plus the greater of €773.0 million and 100% of the Consolidated Cash Flow of the Issuer of indebtedness (including on a secured basis) under the "Credit Facilities" basket and we will have significant headroom for the incurrence of additional indebtedness pursuant to this basket as of the Issue Date. If new debt is added to our and our subsidiaries' current debt levels, the related risks that we now face could intensify. Moreover, some of the debt we may incur in the future could be structurally senior to the Notes and may be secured by collateral that does not secure the Notes.

For further information regarding our substantial leverage and for more information about our outstanding indebtedness, see also "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" and "*Description of Certain Financing Arrangements*."

We are subject to restrictive debt covenants that may limit our ability to finance our future operations and capital needs and to pursue business opportunities and activities. If we default under these covenants, we will not be able to meet our payment obligations.

The indentures governing the Notes and the Existing Notes as well as the Revolving Credit Facility Agreement and the Nationwide Revolving Facility Agreement contain, and will contain, a number of significant covenants that restrict some of our and our subsidiaries' corporate activities, including our and their ability to:

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

- make restricted payments, including paying dividends or making other distributions and prepaying or redeeming subordinated debt or equity;

- create or incur certain liens;

- sell, lease or transfer certain assets;

- enter into arrangements that restrict dividends or other payments to us;

- create encumbrances or restrictions on the payment of dividends or other distributions, loans or advances and on the transfer of assets;

- engage in certain transactions with affiliates;
- create unrestricted subsidiaries; and
- consolidate, merge or transfer all or substantially all of our assets and the assets of our subsidiaries on a consolidated basis.

All of these limitations are or will be subject to significant exceptions and qualifications. The covenants to which we are subject could limit our ability to finance our future operations and capital needs and our ability to pursue business opportunities and activities that may be in our interest.

Also, the Revolving Credit Facility Agreement and the Nationwide Revolving Facility Agreement require us and some of our subsidiaries to comply with certain affirmative covenants. See "*Description of Certain Financing Arrangements—Revolving Credit Facility Agreement*."

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 Revolving Credit Facility Agreement. This would permit the lenders to take certain actions, including declaring all amounts that we have borrowed under the Revolving Credit Facility to be due and payable, together with accrued and unpaid interest. A failure to pay such amounts could also result in an event of default under the indentures governing the Existing Notes and the Notes. If we are unable to repay our debt to the lenders, they could seize the commercial receivables and the related bank account that secure the debt under the Revolving Credit Facility. If the debt under Revolving Credit Facility Agreement, any of the indentures governing the Existing Notes or the Notes or any other material financing arrangement that we enter into were to be accelerated, our assets may be insufficient to repay in full the Notes and our other debt.

Certain covenants may be suspended upon the occurrence of a change in our ratings.

The Indenture will provide that, if at any time following the date of the Indenture, the Notes receive a rating of Baa3 or better by Moody's and a rating of BBB- or better from Standard & Poor's and no default or event of default has occurred and is continuing, then beginning that day the following provisions of the applicable Indenture will not apply to the applicable Notes:

- "*Repurchase at the Option of Holders—Asset Sales*";
- "*Certain Covenants—Restricted Payments*";
- "*Certain Covenants—Incurrence of Indebtedness and Issuance of Preferred Stock*";
- "*Certain Covenants—Dividend and Other Payment Restrictions Affecting Subsidiaries*";
- "*Certain Covenants—Designation of Restricted and Unrestricted Subsidiaries*";
- "*Certain Covenants—Transactions with Affiliates*";
- "*Certain Covenants—Additional Note Guarantees*"; and
- clause (4) of the first paragraph of the covenant described under "*Certain Covenants—Merger, Consolidation or Sale of Assets*."

Notwithstanding the foregoing, if the rating assigned by any such rating agency to such Notes should subsequently decline to below BB- or B, as applicable, the foregoing covenants will be reinstituted as of and from the date of such rating decline. If these covenants were to be suspended, we would be able to incur additional debt or make payments, including dividends or investments, without restrictions under the applicable Notes which may conflict with the interests of holders of such Notes. There can be no assurance that the Notes will ever achieve an investment grade rating or that any such rating will be maintained.

The intercreditor arrangements governing certain of our indebtedness may differ from those adopted in other European leveraged finance transactions.

Our capital structure and the intercreditor arrangements governing certain of our indebtedness may differ in a number of ways from customary European leveraged finance transactions. The Intercreditor Agreement does not include a provision restricting us in any way from making payments in respect of the Revolving Credit Facility, including following acceleration of the Notes, prior to the Super Senior Conversion Date. In these circumstances, lenders under the Revolving Credit Facility would be able to freely enforce their commercial receivables and related bank account collateral or seek consent payments or other payments of amounts due from us without coordinating their recovery or enforcement strategy with the holders of Notes and without having to share pro rata any payments received from us with the holders of Notes.

We expect to use the Revolving Credit Facility to meet some of our liquidity requirements, and are subject to various covenants under the Revolving Credit Facility Agreement, which, if we are unable to comply with them, could result in the acceleration of our debt.

We expect to satisfy a significant amount of our short-term liquidity needs with amounts available under the Revolving Credit Facility. Our ability to refinance the Revolving Credit Facility could be affected by a number of factors, including volatility in the financial markets, contractions in the availability of credit, including in interbank lending, and changes in investment markets, including changes in interest rates, exchange rates and returns from equity, property and other investments. Our liquidity will be adversely affected if we are unable to refinance the Revolving Credit Facility on acceptable terms or at all, and we can provide no assurance we will be able to do so.

The Revolving Credit Facility Agreement contains various covenants, and if we fail to comply with these covenants, a default may occur thereunder. In particular, the Revolving Credit Facility Agreement contains a "springing" financial covenant requiring the consolidated net leverage ratio in respect of a relevant period not to exceed 7.50:1.00 if on the last day of such relevant period the aggregate amount of utilizations under the Revolving Credit Facility are equal to or exceed 40% of total commitments thereunder. If required to be tested, this financial covenant will be tested quarterly on a rolling 12-month basis. If a default occurs under the Revolving Credit Facility Agreement, we may need to fund our working capital requirements from other sources.

On the Super Senior Conversion Date, the Revolving Credit Facility will be designated a super senior liability in accordance with, and subject to, the terms of a new intercreditor agreement.

On the date that certain conditions set out in the Revolving Credit Facility Agreement are satisfied (the "Super Senior Conversion Date"), our obligations under the Revolving Credit Facility will benefit from the same guarantees as the Notes and the Revolving Credit Facility will be secured by security interests granted over the same collateral that secures the Notes. In the event that the Super Senior Conversion Date occurs, we are permitted, without the consent of holders, to enter into a new intercreditor agreement (the "Super Senior Intercreditor Agreement") with the Trustee, the Security Agent and the agent under the Revolving Credit Facility, among others, with certain specified parameters. See "*Description of the Notes—Additional Intercreditor Agreements*". Pursuant to the Super Senior Intercreditor Agreement, the lenders under the Revolving Credit Facility and the counterparties to certain hedging obligations will receive priority to the proceeds from the collateral securing the Notes in the event of any enforcement.

These arrangements could be disadvantageous to the holders of the Notes in a number of respects. For example, other creditors not party to the Intercreditor Agreement or (as from the Super Senior Conversion Date) the Super Senior Intercreditor Agreement could commence enforcement action against the Issuer or its subsidiaries during the consultation period, the Company or one or more of its subsidiaries could seek protection under applicable bankruptcy laws, or the value of certain collateral could otherwise be impaired or reduced in value. Further, as the Super Senior Intercreditor Agreement does not exist as of the Issue Date and the parties are not identified in full, we cannot assure you that any Super Senior Intercreditor Agreement will be entered into on terms which are considered customary as of the Issue Date. While certain principles (as described in the "*Description of the Notes*") are specified, there may be other terms of the Super Senior Intercreditor Agreement which may limit your rights with respect to enforcement of the Collateral securing the Notes or may allow certain other parties to take enforcement action with respect to the Collateral securing the Notes in a manner disadvantageous to holders of the Notes. While these terms will be customary for capital structures which include super senior financings, we cannot assure you that what become customary terms for such intercreditor agreements will be no less advantageous for holders of the Notes as such arrangements are as of the Issue Date.

To repay or refinance and service our debt, we will require a significant amount of cash.

Our ability to make payments on principal or interest when due on our indebtedness, including the Notes, the Revolving Credit Facility and the Existing Notes, will depend upon our future performance and our ability to generate cash. Our ability to generate cash depends on many factors beyond our control. The ability of our subsidiaries to transfer funds upstream to us, pay operating expenses and fund planned capital expenditures and any future acquisitions and research and development efforts will depend on our businesses' ability to generate cash in the future, as well as limitations that may be imposed under applicable law. This is subject, to an extent, to general economic, financial, competitive, legislative, regulatory and other factors, including those factors discussed in this "Risk Factors" section or elsewhere in this listing prospectus, many of which are beyond our and our subsidiaries' control. If we sustain losses in the future, our ability to repay and service our debt may be materially impaired.

If we are unable to generate sufficient cash flow to meet our payment obligations, we may be forced to reduce or delay planned expansions or capital expenditures, sell significant assets, discontinue specified operations, obtain additional funding in the form of debt or equity capital or attempt to restructure or refinance all or a portion of our debt on or before maturity. We cannot assure you that we would be able to accomplish any of these alternatives on a timely basis or on commercially reasonable terms, if at all. In addition, the terms of our debt, including the Revolving Credit Facility Agreement and the indentures governing the Existing Notes and the Notes, will limit our ability to pursue these alternatives. If we are unsuccessful in any of these efforts, we may not have sufficient cash to meet our obligations.

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

The main limitations on deductibility of interest which could apply to us are outlined below. Such description is not exhaustive, holders of the Notes are advised to seek their own professional advice in relation to the risk factors relating to tax.

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 subject to the condition that the entity's share capital be fully paid-in and 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.

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 (i.e., the "Indebtedness Safe Harbor").

These thin-capitalization rules could apply at the level of the Issuer's tax consolidated group (in respect of any loans contracted by the Issuer (or the French subsidiaries belonging to the same French tax consolidated group) from any related party) (i.e., the "Thin Capitalized Perimeter") and at the level of the Issuer's French subsidiaries that do not belong to the same French tax consolidated group as the Issuer with respect to any amount of the proceeds of the Notes used by the Issuer to grant intragroup loans to such subsidiaries as well as, more generally, in respect of any loans contracted by the Issuer's French subsidiaries from any related party.

The 30% Limitation is increased by 75% of the portion of the net financial expenses which are non-deductible after application of the €3 million or 30% adjusted tax EBITDA limitation in three circumstances : (i) autonomous companies (i.e., companies which are not members of a consolidated group, have no establishment outside France and no associated company (appreciated between entities holding a stake of at least 25%); (ii) companies or tax consolidated groups belonging to a consolidated group which do not qualify as a Thin-Capitalized Perimeter and 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 (i.e., the "Financial Autonomy Safe Harbor"); and (iii) companies or tax consolidated groups belonging to a consolidated group which qualify as a Thin-Capitalized Perimeter but benefit from both the Indebtedness Safe Harbor and the Financial Autonomy Safe Harbor.

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.

Pursuant to the *Bulletin Officiel des Finances Publiques-Impôts* BOI-IS-BASE-35-40-10-20, § 20, dated May 13, 2020 and BOI-IS-BASE-35-40-20, § 240, dated May 13, 2020, the portion of interest that is not deductible by virtue of (i) Article 212 *bis*, I of the French Tax Code under the "30% adjusted tax EBITDA limitation" and/or (ii) Article 212 *bis*, VII of the French Tax Code under the thin-capitalization rules is not to be recharacterized as a "deemed distribution" pursuant to Articles 119 *et seq.* of the French Tax Code and, therefore, is not subject to the withholding tax set out under Article 119 *bis* 2 of the French Tax Code.

Finally, the French Finance Law for 2020 includes specific provisions which implement into French tax legislation the provisions of the ATAD II in relation to hybrid mismatches with third countries, which is applicable as from January 1, 2020, except for certain of its provisions which will be applicable as from January 1, 2022.

In relation to such implementation, the provisions of Article 212-1-(b) of the French Tax Code (i.e., the former French anti-hybrid provisions) have been repealed.

Articles 205 B *et seq.* of the French Tax Code implementing ATAD II 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 abovementioned tax rules may limit our ability to deduct interest accrued on our indebtedness incurred in France and, as a consequence, may 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.

We may not be able to raise the funds necessary to finance a change of control offer required by the indentures governing the Existing Notes and the Notes and, if this occurs, we would be in default under the indentures.

Under the terms of the indentures governing the Notes and the Existing Notes, we will be required to offer to repurchase the Notes and the Existing Notes upon the occurrence of both certain events constituting a change of control and a rating decline, which is defined under the indentures governing the Notes and the Existing Notes to include, among other things, Standard & Poor's issuing, confirming or maintaining a corporate rating of the Issuer that is below B+. In addition, upon the occurrence of a change of control as defined under the Revolving Credit Facility Agreement, we may be obligated to prepay all amounts outstanding under the Revolving Credit Facility. It is possible that we may not have sufficient funds at the time of a change of control (and, in the case of the Notes and the Existing Notes a rating decline) to repurchase any or all of the Notes and the Existing Notes, or repay our outstanding obligations under the Revolving Credit Facility. We expect that we would require third-party financing to make an offer to purchase the Notes and the Existing Notes or to repay our outstanding obligations under the Revolving Credit Facility upon a change of control or, in the case of the Notes and the Existing Notes, a change of control accompanied by a rating decline. We cannot assure you that we would be able to obtain such financing. Our failure to repurchase any or all of the Notes or the Existing Notes, as applicable, would be an event of default under the indentures governing the Notes and each of the Existing Notes, respectively, and would cause a cross-default under the Revolving Credit Facility Agreement.

Except as described under "*Description of the Notes,*" the Indenture will not contain provisions that would require us to offer to repurchase or redeem the Notes in the event of a reorganization, restructuring, merger, recapitalization or similar transaction. The change of control provisions contained in the Indenture may not protect you in the event of highly leveraged transactions and other important corporate events, including reorganizations, restructurings or mergers that may adversely affect you, because these transactions may not involve a change in voting power or beneficial interest of the magnitude required to trigger the change of control provisions or, even if they do, may not constitute a "Change of Control" as defined in the applicable Indenture. In addition, the Indenture will not require us to offer to repurchase the Notes unless the change of control is accompanied by a rating decline.

The definition of "Change of Control" under the indentures governing the Notes and the Existing Notes will include a disposition to any person of "all or substantially all" of the assets of the Issuer and its restricted subsidiaries taken as a whole. Although there is a limited body of case law interpreting the phrase "all or substantially all," there is no precise established definition of the phrase under applicable law. Accordingly, in certain circumstances, there may be a degree of uncertainty as to whether a particular transaction would involve a disposition of "all or substantially all" of the assets of the Issuer and its restricted subsidiaries taken as a whole. As a result, it may be unclear as to whether a change of control has occurred and whether the Issuer is required to make an offer to repurchase the Notes.

The Notes and the Guarantees will be structurally subordinated to the liabilities of non-Guarantor subsidiaries.

As of the Issue Date, certain, but not all, of our subsidiaries will guarantee the Notes. As of September 30, 2021, on an as adjusted basis after giving effect to the Transactions, our total borrowings would have been €3,328.7 million for the Issuer and the Guarantors, and €284.6 million for our non-Guarantor subsidiaries, excluding IFRS 16 lease liabilities.

Our non-Guarantor operating subsidiaries are separate and distinct legal entities and have no obligation, contingent or otherwise, to pay any amounts due pursuant to the 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 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 the Company. In the event of any foreclosure, dissolution, winding-up, liquidation, reorganization, administration or other bankruptcy or insolvency proceeding of any of our subsidiaries, the creditors of any future Guarantors (including the holders of the 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 Guarantor, as direct or indirect shareholder, will be entitled to receive any distributions from such subsidiary. As such, the Notes are structurally subordinated to the creditors (including trade creditors) and any preferred stockholders of our non-Guarantor subsidiaries.

The Indenture will include provisions that may require us to cause certain of our other subsidiaries to guarantee the Notes in certain future circumstances, subject to applicable legal limitations and cost considerations. See "*Description of the Notes.*" However, there can be no assurance that these provisions will ever be triggered in future and, if triggered, not defeated by such legal limitations and cost considerations. Consequently, there can be no assurance that any additional subsidiaries will ever guarantee the Notes in the future.

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

Enforcement of the obligations under a Guarantee against a Guarantor will be subject to certain laws applicable, and defenses available, to the Issuer or the relevant Guarantor, as the case may be. The Guarantors are incorporated under the laws of England and Wales, Finland, France and Sweden. Future Guarantors may be incorporated in other jurisdictions. Although laws differ in these jurisdictions, applicable laws and defenses may include those that relate to fraudulent conveyance or transfer, financial assistance, corporate purpose or benefit, voidable preference, insolvency or bankruptcy challenges, preservation of share capital, thin capitalization, capital maintenance or similar laws and regulations or defenses affecting the rights of creditors generally. See "*Certain Insolvency Law Considerations and Limitations on the Validity and Enforceability of the Guarantees and Security Interests*."

In France, the enforcement of the Guarantees and the security interests in the Collateral is limited to the maximum amount that can be guaranteed or secured over such Collateral, as applicable, under the applicable laws of England and Wales, Finland, France and Sweden, to the extent that the granting of such a Guarantee or security interest in the 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.

The liabilities and obligations under the Guarantees of a French Guarantor and the security interests in the Collateral granted by such a French Guarantor 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 Notes which the Issuer has applied for the direct benefit of such French Guarantor or its subsidiaries through intercompany loans. By virtue of this limitation, each French Guarantor's obligations under the Guarantees and the security interests in the Collateral could be significantly less than amounts payable with respect to the Notes or a French Guarantor may have effectively no obligation under the Guarantee and the security interest in the 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.

The interests of our principal shareholders may conflict with your interests.

Our controlling shareholder, Mr. Gérard Déprez, has the power to elect the majority of the members of our Strategic Committee, all officers and our Management Committee, as well as the directors of our subsidiaries, and to approve any changes to their organizational documents and any acquisitions or dispositions.

As a result, his actions can affect our strategic decisions, our legal and capital structure and our day to day operations. In addition, our controlling shareholder may have an interest in pursuing acquisitions, divestitures or other transactions that, in his judgment, could enhance his equity investment, even though these transactions might involve risks to you. In the event of a conflict of interest between you and our controlling shareholder, his actions could affect our ability to meet our payment obligations to you.

You may be required to pay a cash amount ("soulte") in the event you decide to enforce a pledge over securities granted under French law by judicial or contractual foreclosure of the Collateral consisting of securities rather than by a sale of such Collateral in a public auction.

Security interests governed by French law may only secure a creditor up to the secured amount that is due and unpaid to it. Under French law, 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. Such value is determined either by the court in the context of a judicial foreclosure or by a pre-contractually agreed 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 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 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 (determined as specified above), 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. See "*Certain Insolvency Law Considerations and Limitations on the Validity and Enforceability of the Notes Guarantees and the Collateral—France – Soulte*".

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

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 Indenture will provide for the creation of "parallel debt" obligations in favor of the Security Agent (the "Parallel Debt") mirroring the obligations of the Issuer and the Guarantors (as principal obligors) towards the holders of the Notes under or in connection with the Indenture (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 as trustee for the Notes will have certain assigned duties and rights under the Indenture that become particularly important following Defaults or Events of Default, and acts as a prudent person in the best interests of the holders of the Notes.

The concept of "*trust*" has been recognized by the FTC 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°10-25.533 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 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.

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

The Issuer and certain of the Guarantors are entities organized under the laws of France with their registered offices or principal places of business in France (the "**French Entities**"). 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. However, it may be possible for investors to effect service of process within France upon those persons or entities, provided that The Hague Convention on the Service Abroad of Judicial and Extrajudicial Documents in Civil or Commercial Matters of November 15, 1965 is complied with.

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 Judiciaire*) that has exclusive jurisdiction over such matter.

Enforcement in France of such U.S. judgment could be obtained following proper (i.e., *non ex parte*) proceedings if such U.S. Judgment is enforceable in the United States and if the French civil court is satisfied that certain conditions have been met.

For further information, see "*Service of Process and Enforcement of Civil Liabilities*."

The security interests to be granted in favor of holders of the Notes do not rank pari passu with the security interests granted in favor of holders of the Existing Notes, and (until the Super Senior Conversion Date) we are relying on the Intercreditor Agreement to achieve a first priority lien in respect of the Collateral securing the Notes.

The Existing Notes are secured by a first priority security interest in the Collateral. The Notes will be secured by a security interest in the Collateral ranking after any then-existing security interest granted over the Collateral. Until the Super Senior Conversion Date, pursuant to the terms of the Intercreditor Agreement, the Notes will be treated and deemed to be secured on the Collateral on a *pari passu* basis with the Existing Senior Secured Notes and any other Senior Secured Liabilities (See "*Description of Certain Financing Arrangements—Intercreditor Agreement—Additional Security and Guarantees—Senior Secured Creditors*"). Therefore, the first-priority right in the Collateral granted to the holders of the Notes will depend on the enforceability of the Intercreditor Agreement. As a result, if the Intercreditor Agreement or the relevant provisions thereof were found to be invalid or held to be unenforceable for any reason, or if an administrator refuses to give effect to it, the holders of the Notes would not benefit from such first-priority treatment and the security interests granted in favor of holders of the Notes in France would rank behind and be subordinated to any prior ranking security interests, including security interests granted in favor of the Existing Senior Secured Notes.

If the Revolving Credit Facility is designated as a super senior liability in accordance with the terms of the Super Senior Intercreditor Agreement, creditors under the Revolving Credit Facility and counterparties to certain hedging obligations and future indebtedness permitted to be incurred under the terms of the Indenture

and the Intercreditor Agreement ranking pari passu with the Revolving Credit Facility are entitled to be repaid with proceeds from the enforcement of the Collateral in priority over the Notes.

The Super Senior Intercreditor Agreement into which we will enter if the Super Senior Conversion Date occurs will include provisions governing the sharing of proceeds from enforcement of the Collateral. Such enforcement proceeds are required to be turned over to the Security Agent after certain events, including the acceleration of the Notes. The Security Agent is required to apply turned-over amounts and other recoveries by the Security Agent from enforcement actions toward discharging the super senior obligations (including, among others, (following the designation of the Revolving Credit Facility as a super senior liability in accordance with the terms of the Super Senior Intercreditor Agreement, those under the Revolving Credit Facility, certain hedging obligations and future indebtedness that may be secured on a super senior basis (the "Super Senior Liabilities")) in priority to applying any such amounts toward discharging the Notes. As such, in the event of a foreclosure of the Collateral, you may not benefit from such recoveries if the then outstanding claims under such Super Senior Liabilities are greater than the proceeds recovered. Any proceeds remaining from an enforcement sale of Collateral will, after all obligations under such Super Senior Liabilities have been discharged, be applied pro rata in repayment of the Notes and any other indebtedness that ranks pari passu with the Senior Secured Notes. See "*Description of Certain Financing Arrangements—Super Senior Intercreditor Agreement*."

Rights in the Collateral may be adversely affected by the failure to perfect security interests in the Collateral and no assurance can be given on the priority of a security interest if it is not publicly registered.

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 we fail or are unable to take the actions required to perfect any of these liens. Furthermore, it should be noted that neither the Trustee as trustee for the Notes nor the Security Agent shall have any obligation to take any steps or action to perfect any of these liens.

In France, pledges over the securities of French companies in the form of a stock company (*société par actions*) that are governed by French law consist of pledges over a securities account (*nantissement de compte de titres*) 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 relevant French company. 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.

Furthermore, the enforceability against third parties of certain French law intellectual property rights security interest is subject to registration of the relevant security documents pursuant to which the security interest in the Collateral will be granted with the appropriate intellectual property register in France. Absent registration such security will not be enforceable against third parties.

The insolvency laws of France, England and Wales, Finland and Sweden may not be as favorable to creditors, including investors in the Notes, as the insolvency laws of the jurisdictions with which you are familiar; other limitations on the Notes and the Security Interests, including fraudulent conveyance statutes, may adversely affect their validity and enforceability.

On and after the Issue Date as described elsewhere in this listing prospectus, our obligations under the relevant Notes will be guaranteed by the relevant Guarantors and secured by security interests over the relevant Collateral. The Issuer is organized under the laws of France and the Guarantors are organized under the laws of France, England and Wales, Finland and Sweden.

In the event that an Issuer, a Guarantor, any other of the Issuer's 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 addition, pursuant to Council Regulation (EU) 2015/848 of May 20, 2015 on insolvency proceedings (recast), the court that shall have jurisdiction to commence insolvency proceedings in relation to a debtor is the court of the European Union Member State (other than Denmark) where the debtor has its "centre of main interests." There is a rebuttable presumption that the "centre of main interests" is the jurisdiction where the registered office is situated. Therefore, to the extent that the centre of main interests of an Issuer or a Guarantor is deemed to be in a particular European Union jurisdiction, the courts of such jurisdiction may have jurisdiction over the insolvency proceedings with respect to it, irrespective of its jurisdiction of incorporation. For a brief description of certain aspects of insolvency law in the European Union and various jurisdictions in the European Union, see "*Certain Insolvency Law Considerations and Limitations on the Validity and Enforceability of the Note Guarantees and the Collateral—European Union*."

The insolvency 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. In particular, French bankruptcy laws and regulations are unfavorable to creditors in many respects. In the event that any one or more of the Issuer, the Guarantors or any other of the Issuer's subsidiaries experiences financial difficulty, it is not possible to predict with certainty in which jurisdiction or jurisdictions insolvency or similar proceedings would be commenced, or the outcome of such proceedings.

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

For example, in France, among other limitations, the granting of new security interests in the Collateral in connection with previously issued Notes creates hardening period risk for such security interests. Certain arrangements or disposals that are made during the "hardening period" (*période suspecte*), a time period of a maximum of eighteen months preceding the court decision commencing judicial reorganization or liquidation proceedings and ending on the date such court decision may be challenged by the receiver in bankruptcy and certain creditors under applicable rules of avoidance. The date of insolvency marks the beginning of the hardening period. Such date is deemed to be the date of the court decision commencing the judicial reorganization or liquidation proceedings, unless the court sets an earlier date, which may be no earlier than eighteen months before the date of such court decision. The Indentures will permit the security interests in the Collateral to be released and retaken in certain circumstances. If such release and retake is made during the hardening period, the relevant security interest(s) may be declared void or ineffective or may not be enforceable. See "*Certain Insolvency Law Considerations and Limitations on the Validity and Enforceability of the Note Guarantees and the Collateral—France—Court-assisted Proceedings—The "hardening period" (période suspecte) in judicial reorganization and liquidation proceedings.*"

In addition, 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 proceedings affecting creditors, including court-assisted proceedings (*mandat ad hoc* proceedings or conciliation proceedings (*procédure de conciliation*)), and court-administered proceedings (safeguard proceedings (*sauvegarde, sauvegarde accélérée*), judicial reorganization proceedings (*redressement judiciaire*) or judicial liquidation proceedings (*liquidation judiciaire*)), the ability of holders of the Notes to enforce their rights under the Notes or the Note Guarantees could be limited or suspended.

Under French law, enforcement of a security interest in the Collateral provided by an Issuer or a Guarantor, as the case may be, may be adversely affected by specific or general defenses available to debtors under French law, as the case may be, in respect of the validity, binding effect and enforceability of such security interest.

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

- avoid or invalidate all or a portion of a Guarantor's obligations under its Note Guarantee or the Security Interests provided by such Guarantor;

- direct that the Issuer and the holders Notes return any amounts paid under a Note Guarantee or any Security Interest to the relevant Guarantor or to a fund for the benefit of the Guarantor's creditors; and

- take other action that is detrimental to you.

If we cannot satisfy our obligations under the Notes and any Note Guarantee or Security Interest is found to be a preference, transaction at an undervalue, fraudulent transfer or conveyance or is otherwise set aside, we cannot assure you that we can ever repay in full any amounts outstanding under the Notes. In addition, the liability of each Guarantor under its Note Guarantee or the Security Interests will be limited to the amount that will result in such Note Guarantee or Security Interests not constituting a fraudulent conveyance or improper corporate distribution or otherwise being set aside. The amount recoverable from the Guarantors under the Security Documents (as defined herein) will also be limited. However, there can be no assurance as to what standard a court would apply in making a determination of the maximum liability of each. There is also the possibility that the entire Note Guarantee or Security Interest may be set aside, in which case the entire liability may be extinguished. See also "*Risk Factors—Risks Relating to Each Series of Notes—The Notes and the Note Guarantees may be limited by applicable laws or subject to certain limitations or defenses that may adversely affect their validity and enforceability.*"

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

- issued such Note Guarantee or created such Security Interest with the intent of hindering, delaying or defrauding current or future creditors or with a desire to prefer some creditors over others, or created such security after its insolvency;

- issued such Note Guarantee or created such Security Interest in a situation where a prudent businessman. as a shareholder of such Guarantor. would have contributed equity to such Guarantor or where the relevant beneficiary of the Note Guarantee or Security Interest knew or should have known that the Guarantor was insolvent or a filing for insolvency had been made; or

- received less than reasonably equivalent value for incurring the debt represented by the Note Guarantee or Security Interest on the basis that the Note Guarantee or Security Interest were incurred for our benefit, and only indirectly for the Guarantor's benefit, or on some other basis and: (i) was insolvent or rendered insolvent by reason of the issuance of the Note Guarantee or the creation of the Security Interest, or subsequently became insolvent for other reasons; (ii) was engaged, or was about to engage, in a business transaction for which the Guarantor's assets were unreasonably small; or (iii) intended to incur, or believed it would incur, debts beyond its ability to make required payments as and when they would become due.

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

- its liabilities exceed the fair market value of its assets;

- it cannot pay its debts as and when they become due; or

- the present saleable value of its assets is less than the amount required to pay its total existing debts and liabilities, including contingent and prospective liabilities, as they mature or become absolute.

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

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

A Noteholder's effective yield on the Notes may be diminished by the tax impact on that Noteholder of its investment in the Notes.

Payments of interest on the Notes, or profits realized by the Noteholder upon the sale or repayment of the Notes, may be subject to taxation in the Noteholder's home jurisdiction or in other jurisdictions in which it is required to pay taxes. Certain French, EU, and US tax matters relating to an investment in the Notes are summarized under "*Taxation*;" however, that section does not contain a comprehensive description of the tax impact of an investment in the Notes and the tax impact on an individual Noteholder may differ from the impact described in that section. The Issuer advises all investors to contact their own tax advisors for advice on the tax impact of an investment in the Notes.

Enforcing your rights as a holder of the Notes may prove difficult.

The Issuer and the Guarantors are organized under the laws of France, England and Wales, Finland and Sweden. In addition, the Notes and the Indenture will be governed by the laws of the State of New York and the Intercreditor Agreement is and the Super Senior Intercreditor Agreement will be governed by the laws of England and Wales. Furthermore, all of the directors and executive officers of the Issuer and the Guarantors live outside the United States. Substantially all of the assets of the Issuer and the Guarantors, and substantially all of the assets of their respective directors and executive officers, are located outside of the United States. As a result, it may not be possible for you to serve process on such persons in the United States or to enforce judgments obtained in U.S. courts against them based on the civil liability provisions of the securities laws of the United States. In addition, 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. See "*Service of Process and Enforcement of Judgments*."

In the event of a bankruptcy, insolvency or similar event, proceedings could be initiated in France, the United States, the jurisdictions of incorporation of the Guarantors or in more than one such jurisdiction. Any multi-jurisdictional proceeding is likely to be complex and costly for creditors and otherwise may result in greater uncertainty and delay regarding the enforcement of your rights. Your rights under the Notes will be subject to such bankruptcy, insolvency and administrative laws, and there can be no assurance that you will be able to effectively enforce your rights in such complex, multiple bankruptcy, insolvency or similar proceedings.

In addition, the bankruptcy, insolvency, administrative and other laws of France, England and Wales, Finland and Sweden may be materially different from, or be in conflict with those of the United States and other jurisdictions with which you may be familiar, including in the areas of the rights of creditors, the priority of governmental and other creditors, the ability to obtain post-petition interest and the duration of the proceedings. The application of these laws, or any conflict among them, could call into question whether any particular jurisdiction's laws should apply, adversely affect your ability to enforce your rights under the Notes in the relevant jurisdictions or limit any amounts that you may receive.

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

There is no existing market for the Notes. We cannot assure you as to:

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

The initial purchasers of the Notes have informed us that they intend to make a market in the Notes after completing this offering. However, the initial purchasers are not obligated to make a market in the Notes and may cease market-making at any time. In addition, changes in the overall market for high-yield securities and changes in our financial performance or in the markets where we operate may adversely affect the liquidity of the trading market in these Notes and the market price quoted for these Notes. As a result, we cannot assure you that an active trading market will actually develop for these Notes.

Historically, the markets for non-investment grade debt such as the Notes have been subject to disruptions that have caused substantial volatility in their prices. 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. The market, if any, for the Notes may be subject to similar disruptions. Any disruptions may have an adverse effect on the holders 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.

Although an 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, we cannot assure you that the Notes will become or remain listed thereon. Although no assurance is made as to the liquidity of the Notes as a result of the admission to trading on the Euro MTF, failure to be approved for listing or the delisting of the Notes, as applicable, from the Official List may have a material effect on a holder's ability to resell the Notes, as applicable in the secondary market.

In addition, the Indenture will allow the Issuer to issue additional Notes in the future which could adversely impact the liquidity of the Notes.

The transfer of the Notes is restricted.

The Notes have not been registered under the Securities Act or the securities laws of any jurisdiction and, unless so registered, may not be offered or sold except pursuant to an exemption from, or transaction not subject to, the registration requirements of the Securities Act and any other applicable laws. See "*Notice to Investors*." We have not agreed to or otherwise undertaken to register the Notes and have no intention to do so.

Certain considerations relating to book-entry interests.

Unless and until Notes in definitive registered form, or Definitive Registered Notes (as defined in "*Description of the Notes*") are issued in exchange for book-entry interests, owners of book-entry interests will not be considered owners or holders of such Notes. The common depositary for Euroclear and Clearstream (or its nominee) will be the sole holder of the global notes representing the Notes. After payment by the Paying Agent to Euroclear and Clearstream, the Issuer will have no responsibility or liability for the payment of interest, principal or other amounts to the owners of book-entry interests. Accordingly, if you own a book-entry interest, you must rely on the procedures of Euroclear or Clearstream, as applicable, and if you are not a participant in Euroclear or Clearstream, on the procedures of the participant through which you own your interest, to exercise any rights of a holder under the Indenture. See "*Book-Entry, Delivery and Form*."

Unlike the holders of the Notes themselves, owners of book-entry interests will not have the direct right to act upon the Issuer's solicitations for consents, requests for waivers or other actions from holders of the Notes. Instead, if you own a book-entry interest, you will be permitted to act only to the extent you have received appropriate proxies to do so from Euroclear or Clearstream. There can be no assurance that procedures implemented for the granting of such proxies will be sufficient to enable you to vote on any request actions on a timely basis.

Similarly, upon the occurrence of an Event of Default under the Indenture, unless and until Definitive Registered Notes are issued in respect of all book-entry interests, if you own a book-entry interest, you will be restricted to acting through Euroclear or Clearstream. The Issuer cannot assure you that the procedures to be implemented through Euroclear or Clearstream will be adequate to ensure the timely exercise of rights under the Notes. See "*Book-Entry, Delivery and Form*."

You may face currency exchange risks by investing in the Notes.

The Notes are denominated and payable in euro. If you measure your investment returns by reference to a currency other than the currency in which your notes are denominated, investment in such notes entails foreign currency exchange-related risks due to, among other factors, possible significant changes in the value of the euro, as applicable, relative to the currency you use to measure your investment returns, caused by economic, political and other factors which affect exchange rates and over which we have no control. Depreciation of the euro, as applicable, against the currency by reference to which you measure your investment returns would cause a decrease in the effective yield of the Notes below their stated coupon rates and could result in a loss to you when the return on the Notes is translated into the currency by reference to which you measure your investment returns. There may be tax consequences for you as a result of any foreign currency exchange gains or losses resulting from your investment in the Notes. You should consult your tax advisor concerning the tax consequences to you of acquiring, holding and disposing of the Notes.

Issuances of Additional Notes may not be fungible with the Notes, which may adversely affect the value of the Notes.

The Issuer may issue and sell additional notes under either of the Indenture ("**Additional Notes**"), such Additional Notes having identical terms and conditions as the applicable Notes if, the conditions for such additional issuance are satisfied. Whether any Additional Notes would be fungible with the applicable Notes for U.S. federal income tax purposes would depend on whether the issuance of such Additional Notes is treated as part of the same issue as the applicable Notes for such purposes. This determination will depend on facts that cannot be determined at this time, including the date when the Additional Notes are issued, the yield of the applicable Notes at that time (based on their fair market value) and whether such Notes are publicly traded or quoted at the time of the issuance of the Additional Notes. If the Additional Notes are not treated as part of the same issue under the same CUSIP or ISIN as the applicable Notes for U.S. federal income tax purposes and the Additional Notes are issued with at least a statutorily defined de minimis amount of OID for U.S. federal income tax purposes, the market value of the applicable Notes may be adversely affected unless the Additional Notes can be distinguished from the applicable Notes. See "*Taxation—Certain United States Federal Income Tax Considerations—Additional Notes*."

The Notes are secured only by security interests over certain of our assets and, prior to the Super Senior Conversion Date, are not secured by any assets that secure the Revolving Credit Facility.

The Notes are secured only by the Collateral. Furthermore, the Indenture will permit us to incur additional debt that can be secured by liens on the Collateral that have the same priority with the liens on the Collateral that secures the Notes. Many of our assets, such as certain assets owned by our subsidiaries, are not part of the Collateral securing the Notes. With respect to those assets that are not part of the Collateral securing the Notes but which secure other obligations (such as, prior to the Super Senior Conversion Date, certain equipment, the commercial receivables and related bank account securing our Revolving Credit Facility), the Notes will be effectively junior to these obligations to the extent of the value of such assets. Holders of the indebtedness under our Revolving Credit Facility will, prior to the Super Senior Conversion Date, be entitled to receive proceeds from the realization of value of their separate collateral to repay such indebtedness in full before the holders of the Notes or any *pari passu* indebtedness will be entitled to any recovery from such collateral. As a result, prior to the Super Senior Conversion Date, holders of the Notes will only be entitled to receive proceeds from the realization of value of the commercial receivables securing the Revolving Credit Facility after all indebtedness and other obligations under such facility are repaid in full. As regards the position following the Super Senior Conversion Date, see "*— If the Revolving Credit Facility is designated as a super senior liability in accordance with the terms of the Super Senior Intercreditor Agreement, creditors under the Revolving Credit Facility and counterparties to certain hedging obligations and future indebtedness permitted to be incurred under the terms of the Indenture and the Intercreditor Agreement ranking pari passu with the Revolving Credit Facility are entitled to be repaid with proceeds from the enforcement of the Collateral in priority over the Notes.*".

The Collateral may not be sufficient to secure the obligations under the Notes.

The Notes will be secured by security interests with respect to the Collateral. The Collateral which also secures the Existing Senior Secured Notes pursuant to the Intercreditor Agreement or (following the Super Senior Conversion Date) the Super Senior Intercreditor Agreement may also secure additional debt to the extent permitted by the terms of the indentures governing the Notes, the Existing Notes and the Intercreditor Agreement or (following the Super Senior Conversion Date) the Super Senior Intercreditor Agreement, including certain hedging obligations. Your rights as a holder of the Notes to the Collateral would be diluted by any increase in the debt secured by the Collateral or a reduction in the value of the Collateral securing the Notes.

No appraisals of any collateral have been prepared in connection with the offering of the Notes. There also can be no assurance that the collateral could be sold and, even if sold, the timing of its liquidation is uncertain. The value of the Collateral and the amount to be received upon a sale of such collateral will depend upon many factors, including, among others, the ability to sell the Collateral in an orderly sale, the condition of the economies in which our operations are located 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, we cannot assure you that there will be a market for the sale of the Collateral, or, if such a market exists, that there will not be a substantial delay in its liquidation. In addition, the share pledges of an entity may be of no value if that entity is subject to an insolvency or bankruptcy proceeding. The security interest in the Collateral will be released in connection with an enforcement sale pursuant to the Intercreditor Agreement or (following the Super Senior Conversion Date) the Super Senior Intercreditor Agreement.

The Notes will be secured only to the extent of the value of the assets that have been granted as security for the Notes.

To the extent that the claims of the holders of the Notes and the Existing Senior Secured Notes (and of any Additional Secured Liabilities that may be secured by the Collateral in accordance with the terms of the Existing Senior Secured Notes Indentures, the Indenture and the Intercreditor Agreement) exceed the value of the assets securing those notes and other obligations, those claims of the holders of such notes will rank equally with the claims of the holders of all other existing and future senior unsecured indebtedness ranking *pari passu* with such notes (including the bilateral credit facilities extended to Loxam and trade payables). As a result, if the value of the assets pledged as security for the Notes is less than the value of the claims of the holders of the Notes and the Existing Senior Secured Notes (and of any Additional Secured Liabilities that may be secured by the Collateral in accordance with the terms of the Existing Senior Secured Notes Indentures and the Intercreditor Agreement or (following the Super Senior Conversion Date) the Super Senior Intercreditor Agreement), those claims of the holders of the Notes may not be satisfied in full before the claims of certain unsecured creditors have been paid.

There are circumstances other than repayment or discharge of the Notes under which the security interests in the Collateral with respect to the Notes will be released automatically without your consent or the consent of the Trustee as trustee for the Notes.

Under various circumstances, the security interests in the Collateral securing the Notes will be automatically and unconditionally released, including (without limitation):

(1) upon the sale, disposition or transfer of such Collateral (including by way of merger, consolidation, amalgamation or combination) to a Person that is not (either before or after giving effect to such transaction), the Issuer or a Restricted Subsidiary of the Issuer, if such sale, disposition or transfer does not violate the asset sale provisions of the Indenture;

(2) upon the sale, disposition or transfer of Capital Stock of the Restricted Subsidiary that has pledged such Collateral (or Capital Stock of a Parent of the relevant Restricted Subsidiary (other than the Issuer)) to a Person that is not (either before or after giving effect to such transaction) the Issuer or a Restricted Subsidiary of the Issuer, if (i) after giving effect to such sale, disposition or transfer, such Person is no longer a Restricted Subsidiary of the Issuer and (ii) the sale, disposition or transfer does not violate the asset sale provisions of the indenture governing the Notes;

(3) upon the defeasance or discharge of the Notes in each case, in accordance with the terms of the indenture governing the Notes;

(4) if the relevant Restricted Subsidiary is designated as an Unrestricted Subsidiary (or is a Subsidiary of such designated Subsidiary) and such designation complies with the other applicable provisions of the indenture governing the Notes (in which case, for the avoidance of doubt, such release will be of the property and assets (as well as any Equity Interests and Indebtedness) of such Restricted Subsidiary);

(5) upon full and final repayment of the Notes; and

(6) in accordance with the amendment and waiver provisions of the indenture governing the Notes.

USE OF PROCEEDS

We expect the gross proceeds to be received by us from the offering to be €350,000,000, assuming the Notes are issued at par.

We intend to use the net proceeds from the offering, together with cash on hand, to redeem in full the outstanding aggregate principal amounts of our 2022 Senior Secured Notes and our 2023 Senior Secured Notes and to pay the fees and expenses related to the offering.

The table below presents our sources and uses of funds from the offering of the Notes assuming an Issue Date of February 10, 2022 and assuming the Notes are issued at par.

Sources of Funds	**Amount**	**Uses of Funds**	**Amount**
	(in millions of euros)		*(in millions of euros)*
Notes offered hereby	350.0	Redemption in full of 2022 Senior Secured Notes [1] [2]	300.0
		Redemption in full of 2023 Senior Secured Notes [2] [3]	250.0
Cash on hand	207.7	Estimated fees and expenses [4]	7.7
Total sources	**557.7**	**Total uses**	**557.7**

(1) Represents the repayment in full of €300 million in aggregate principal amount of the 2022 Senior Secured Notes, excluding accrued and unpaid interest to, but excluding the assumed date of redemption.

(2) Certain of the initial purchasers and/or their affiliates may hold 2022 Senior Secured Notes and/or 2023 Senior Secured Notes and therefore may receive a portion of the offering proceeds in connection with the redemption thereof.

(3) Represents the repayment in full of €250 million in aggregate principal amount of the 2023 Senior Secured Notes, excluding accrued and unpaid interest to, but excluding the assumed date of redemption.

(4) Includes (a) accrued and unpaid interest on the 2022 Senior Secured Notes to, but excluding, the assumed redemption date of €0.7 million, (b) accrued and unpaid interest on the 2023 Senior Secured Notes to, but excluding, the assumed redemption date of €3.5 million and (c) our estimate of commissions, fees and expenses in connection with or otherwise related to the offering of the Notes and the application of the proceeds therefrom, including underwriting fees and commissions, other financing fees professional and legal fees, financial advisory fees and other transaction costs. Actual fees and expenses may differ.

CAPITALIZATION

The following table presents our cash position and capitalization as of September 30, 2021:

- on an actual basis; and
- as adjusted for the Transactions.

You should read this table in conjunction with "*Use of Proceeds*," "*Management's Discussion and Analysis of Financial Condition and Results of Operations*," "*Description of Certain Financing Arrangements*" and our consolidated financial statements, and the notes thereto, a free English language translation of which is included elsewhere in this listing prospectus.

	September 30, 2021	
	Actual	**As adjusted**
	(in millions of euros)	
Cash and cash equivalents (1)	**601.9**	**258.4**
Debt:		
Bilateral credit facilities (2)	234.1	234.1
State-Guaranteed Loans (3)	261.0	261.0
Nationwide Revolving Facility (4)	114.0	114.0
Revolving Credit Facility (5)	—	—
Finance leases (6)	243.8	243.8
Commercial paper (7)	94.0	94.0
Other financial debt (8)	21.1	12.4
2022 Senior Secured Notes (9)	300.0	—
2023 Senior Secured Notes (9)	250.0	—
2024 Senior Secured Notes (9)	300.0	300.0
2025 Senior Secured Notes (9)	700.0	700.0
April 2026 Senior Secured Notes (9)	300.0	300.0
July 2026 Senior Secured Notes (9)	450.0	450.0
2025 Senior Subordinated Notes (9)	239.6	119.6
April 2027 Senior Subordinated Notes (9)	191.1	191.1
July 2027 Senior Subordinated Notes (9)	243.3	243.3
Notes offered hereby (9) (10)	—	350.0
Total financial debt (11)	**3,942.0**	**3,613.3**
IFRS 16 Lease Liabilities	318.8	318.8
Total debt (11)	**4,260.8**	**3,932.1**
Shareholders' equity	**683.5**	**674.9**
Total capitalization	**4,944.3**	**4,607.0**

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(1) As adjusted cash and cash equivalents reflects the use of the net proceeds from the offering of the Notes together with cash on hand to fully redeem the 2022 Senior Secured Notes and the 2023 Senior Secured Notes, including accrued and unpaid interest thereon, as well as the redemption of €120.0 million in principal amount of the 2025 Senior Subordinated Notes that took place on November 15, 2021, including accrued and unpaid interest thereon and a €1.8 million redemption premium in respect thereof, in each case as if such redemptions had occurred on September 30, 2021. Regularly scheduled interest payments have occurred on each of the Existing Notes that have been or that are to be redeemed since September 30, 2021 and, as a result, the actual redemption price that was paid for the redeemed 2025 Senior Subordinated Notes on their actual redemption date and the redemption price that will be payable for the 2022 Senior Secured Notes and the 2023 Senior Secured Notes on their actual redemption date differ. As adjusted cash and cash equivalents also reflects €12.4 million paid in connection with the Issuer's recent share buyback. See "*Summary—Recent Developments—Partial Redemption of 2025 Senior Subordinated Notes*", "*Summary—Recent Developments—Closing of Sale of Sparring Capital's Interest in Loxam and Capital Reduction*" and "*Use of Proceeds*".

(2) Our bilateral credit facilities consist of senior unsecured loans borrowed by us and certain of our subsidiaries from a variety of banks. Of the total amount drawn under the bilateral credit facilities as of September 30, 2021, €155.1 million was owed by the Issuer, and €79.0 million was owed by our subsidiaries (a portion of which was guaranteed by the Issuer). See "*Description of Certain Financing Arrangements—Bilateral Credit Facilities*."

(3) The Issuer is party to a French state-guaranteed loan pursuant to which €231.8 million was outstanding as of September 30, 2021. In addition, certain of our subsidiaries in Spain, Portugal, Italy and Switzerland are party to state-guaranteed loans, under which €29.2 million was outstanding as of September 30, 2021. See "*Description of Certain Financing Arrangements—State-Guaranteed Loans*".

(4) The Nationwide Revolving Facility provides for borrowings of up to an aggregate of £120.0 million on a committed basis. See "*Description of Certain Financing Arrangements—Nationwide Revolving Facility Agreement*." Represents the amount outstanding under the Nationwide Revolving Facility, net of issuance costs.

(5) On July 29, 2021, we entered into the Revolving Credit Facility Agreement, which provides for a Revolving Credit Facility permitting borrowings of up to an aggregate of €345.0 million. Upon entry into the Revolving Credit Facility Agreement, we terminated the Former Revolving Credit Facility Agreement, under which no drawings were outstanding as of September 30, 2021. See "*Description of Certain Financing Arrangements—Revolving Credit Facility Agreement*." We do not intend to draw under the Revolving Credit Facility on the Issue Date.

(6) Our finance leases are secured by liens over equipment in our fleet and generally have maturities of five years. Of the amounts drawn under finance leases as of September 30, 2021, €131.4 million was owed by the Issuer and €112.4 million was owed by our subsidiaries.

(7) Ramirent Oy is party to a commercial paper program providing for borrowings of up to an aggregate of €300.0 million, of which €94.0 million was outstanding as of September 30, 2021. See "*Description of Certain Financing Arrangements—Commercial Paper Program*".

(8) Other financial debt is composed of €28.3 million of accrued interest on debt and €7.8 million of other financial debt, less the unamortized portion of capitalized debt issuance costs of €15.0 million (composed of €0.6 million related to the 2024 Senior Secured Notes, €4.2 million related to the 2025 Senior Secured Notes, €1.3 million related to the April 2026 Senior Secured Notes, €4.1 million related to the July 2026 Senior Secured Notes, €1.2 million related to the 2025 Senior Subordinated Notes, €1.0 million related to the April 2027 Senior Subordinated Notes and €2.6 million related to the July 2027 Senior Subordinated Notes). Other financial debt, as adjusted, takes into account (i) an estimated €3.4 million in capitalized debt issuance costs related to the issuance of the Notes offered hereby, (ii) the reversal of €0.6 million in the unamortized portion of capitalized debt issuance costs related to the issuance of the 2025 Senior Subordinated Notes due to their partial redemption and (iii) a payment of €5.8 million in accrued and unpaid interest to, but excluding, September 30, 2021 on the 2022 Senior Secured Notes, the 2023 Senior Secured Notes and the 2025 Senior Subordinated Notes in connection with their redemption, as if the redemption had occurred on September 30, 2021. Regularly scheduled interest payments have occurred on each of the Existing Notes to be redeemed since September 30, 2021 and, as a result, the actual redemption price payable for each of the Existing Notes to be redeemed on the assumed redemption date will differ. See "*Use of Proceeds*".

(9) Represents outstanding aggregate principal amount.

(10) Assumes issuance at par.

(11) Presented net of the unamortized portion of capitalized debt issuance costs.

SELECTED CONSOLIDATED FINANCIAL INFORMATION

The following tables present our selected consolidated financial information as of and for the years ended December 31, 2018, 2019 and 2020 and for the nine months ended September 30, 2020 and 2021. The selected consolidated financial information as of and for each of the years ended December 31, 2018, 2019 and 2020 was derived from our audited consolidated annual financial statements, which were audited by our Auditors. An English language translation of our audited consolidated financial statements as of and for the years ended December 31, 2018, 2019 and 2020 is included elsewhere in this listing prospectus, together with a free English language translation of the audit reports thereon from our independent auditors, KPMG Audit, a division of KPMG S.A., and Constantin Associés (a member of Deloitte Touche Tohmatsu Limited). These consolidated financial statements were prepared in accordance with IFRS as adopted by the European Union. The selected unaudited condensed consolidated interim financial information as of and for the nine months ended September 30, 2021, with comparable information for the nine months ended September 30, 2020, was derived from our unaudited condensed consolidated interim financial statements as of and for the nine months ended September 30, 2021 which were prepared in accordance with IAS 34 – standard of the IFRS as adopted by the European Union applicable to interim financial reporting. The unaudited condensed consolidated interim financial statements as of and for the nine months ended September 30, 2021 were reviewed by our statutory auditors. An English language translation of our unaudited condensed consolidated interim financial statements as of and for the nine months ended September 30, 2021 is included elsewhere in this listing prospectus, together with a free English language translation of the review report ("*examen limité*") thereon from our Auditors.

We began applying IFRS 16 on January 1, 2019 using the modified retrospective method and as a result, we did not restate our financial statements as of and for the year ended December 31, 2018 to give effect to the application of IFRS 16. Therefore, the financial information presented in this listing prospectus as of and for the year ended December 31, 2018 is not directly comparable with the financial information presented for subsequent periods. Our results for the years ended December 31, 2019 and 2020 and the nine months ended September 30, 2020 and 2021 presented in this listing prospectus include the impact of IFRS 16, and we provide a breakdown of this impact in certain financial tables. In our audited consolidated financial statements as of and for the year ended December 31, 2020, comparative information as of and for the year ended December 31, 2019 was restated to give effect to the application of the definitive decision of the IFRS IC concerning the assessment of lease terms for leases renewable by tacit agreement. A similar restatement was made in Loxam's unaudited condensed consolidated interim financial statements as of and for the nine months ended September 30, 2021 with respect to the comparative information included therein for the nine months ended September 30, 2020. For ease of review, we present restated financial information as of and for the year ended December 31, 2019 and the nine months ended September 30, 2020 in this listing prospectus. For further detail on the impact of this application, see Note 26 to the Group's audited consolidated financial statements as of and for the year ended December 31, 2020 and Note 24 to the Group's unaudited condensed consolidated interim financial statements as of and for the nine months ended September 30, 2021 included in this listing prospectus.

On August 1, 2019, Ramirent and its subsidiaries were consolidated in our consolidated accounts. Our results for the year ended December 31, 2019 presented in this listing prospectus include five months of Ramirent's activity. As a consequence of the integration of Ramirent as of August 1, 2019, financial information for Loxam for the year ended December 31, 2019 is not comparable to the financial information for the year ended December 31, 2018 because of the change in perimeter. See "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Results of Operations*" and the notes to our financial statements included elsewhere in this listing prospectus for further information.

The selected consolidated financial and other information included below is not necessarily indicative of our future results of operations and should be read in conjunction with, and is qualified in its entirety by reference to, our consolidated financial statements, including the notes thereto, a free English language translation of which is included elsewhere in this listing prospectus. You should also read the tables below in conjunction with "*Presentation of Financial and Other Information*," "*Use of Proceeds*," "*Capitalization,*" "*Unaudited Pro Forma Consolidated Condensed Financial Information*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*."

Selected Consolidated Income Statement Information

	Year ended December 31,			Nine months ended September 30,	
	2018	**2019 (restated)[b]**	**2020**	**2020 (restated)[b]**	**2021**
	Pre-IFRS 16[a]	***Post-IFRS 16[a]***			
	in millions of euros				
Revenue	1,482.6	1,871.4	1,988.9	1,455.5	1,599.8
Other income[c]	56.7	59.5	70.7	53.1	36.6
Operating income	**1,539.3**	**1,930.9**	**2,059.6**	**1,508.6**	**1,636.4**
Purchases consumed	(162.8)	(193.4)	(185.1)	(128.9)	(157.5)
Personnel expenses	(381.3)	(467.5)	(513.9)	(380.3)	(427.4)
Other current expenses	(475.3)	(548.8)	(612.9)	(446.9)	(462.6)
Taxes and duties	(19.3)	(19.6)	(19.8)	(15.2)	(13.6)
Depreciation and amortization	(287.8)	(462.2)	(553.4)	(414.0)	(388.9)
Profit from ordinary operations	**212.9**	**239.5**	**174.5**	**123.3**	**186.5**
Other operating income and expense	0.2	(28.1)	(12.0)	(0.6)	(1.7)
Operating profit	**213.2**	**211.4**	**162.5**	**122.7**	**184.7**
Interest and financing-related expenses	(97.2)	(126.9)	(158.7)	(119.5)	(115.4)
Other financial income and expenses	(5.0)	(27.9)	0.1	(2.1)	(4.0)
Financial income (expense)	**(102.1)**	**(154.9)**	**(158.6)**	**(121.6)**	**(119.4)**
Profit before tax	**111.0**	**56.5**	**3.8**	**1.1**	**65.3**
Share of profit of associates	-	0.9	1.1	0.6	0.8
Income tax expense	(20.6)	(9.6)	(0.7)	(3.2)	(12.1)
Net profit	**90.4**	**47.9**	**4.3**	**(1.4)**	**54.1**
Non-controlling interests	(5.2)	(1.2)	(0.5)	(0.4)	1.2
Net profit, Group share	**95.7**	**49.1**	**4.8**	**(1.0)**	**52.9**

(a) The Group has applied IFRS 16 from January 1, 2019, using the modified retrospective approach. Under this approach, comparative information is not restated and accordingly, information for the year ended December 31, 2018 is presented without giving effect to the application of IFRS 16.

(b) The Group has restated its financial information as of and for the year ended December 31, 2019 and the nine months ended September 30, 2020 to give effect to the implementation of the IFRS Interpretations Committee decision on the enforceable period of leases. See "*Presentation of Financial and Other Information—New Standards and Interpretations—IFRS 16*".

(c) Other income includes capital gains on disposal of fleet assets for €41.5 million, €47.5 million and €57.9 million in 2018, 2019 and 2020, respectively, and €43.8 million and €29.9 million for the nine months ended September 30, 2020 and September 30, 2021, respectively. It also includes income from real estate rentals to third parties for €6.1 million, €4.7 million and €3.9 million in 2018, 2019 and 2020, respectively, and €3.6 million and an expense of €0.1 million for the nine months ended September 30, 2020 and September 30, 2021, respectively.

Selected Consolidated Statement of Financial Position Information

	As of December 31,			As of September 30,
	2018	2019 (restated)	2020	2021
	Pre-IFRS 16[(a)]	*Post-IFRS 16*[(a)]		
		in millions of euros		
Intangible assets and goodwill	1,327.3	2,353.6	2,307.5	2,300.1
Property, plant and equipment	1,354.7	2,390.4	2,126.5	2,125.2
Financial assets	14.4	21.4	20.5	19.4
Financial derivatives	—	—	0.8	—
Investments in associates	—	9.8	7.5	9.1
Deferred tax assets	18.4	18.5	17.8	16.2
Non-current assets	**2,714.8**	**4,793.7**	**4,480.6**	**4,470.0**
Inventories	30.8	49.3	45.5	52.9
Trade and other receivables	388.5	496.6	414.1	475.9
Other current assets	68.5	75.1	64.2	64.7
Cash and cash equivalents	143.8	230.1	627.9	601.9
Current assets	**631.5**	**851.0**	**1,147.7**	**1,195.3**
Total assets	**3,346.3**	**5,644.7**	**5,628.3**	**5,665.3**
Share capital	229.8	229.8	224.8	224.8
Additional paid-in capital	1.9	1.9	1.9	1.9
Consolidated reserves	292.5	407.4	403.8	403.9
Net profit for the period	95.7	49.4	4.8	52.9
Shareholders' equity (Group share)	**619.8**	**688.2**	**635.2**	**683.5**
Non-controlling interests	10.6	9.5	5.5	7.8
Total equity	**630.5**	**697.7**	**640.8**	**691.3**
Employee benefits	11.1	44.2	57.1	54.4
Deferred tax liabilities	70.4	190.9	195.4	193.6
Borrowings and financial debt	2,063.0	3,792.6	3,632.9	3,493.5
Other non-current liabilities	—	—	—	2.2
Financial derivatives	2.3	7.6	5.1	2.5
Non-current liabilities	**2,146.9**	**4,035.3**	**3,890.4**	**3,746.2**
Provisions	11.1	19.5	15.1	11.7
Borrowings and financial debt	216.5	481.6	680.2	765.0
Trade and other payables	202.2	205.3	209.4	231.8
Other current liabilities	139.2	205.3	192.5	219.2
Current liabilities	**569.0**	**911.6**	**1,097.1**	**1,227.8**
Total shareholders' equity and liabilities	**3,346.3**	**5,644.7**	**5,628.3**	**5,665.3**

(a) The Group has applied IFRS 16 from January 1, 2019, using the modified retrospective approach. Under this approach, comparative information is not restated.

Selected Consolidated Cash Flow Statement Information

	Year ended December 31,			Nine months ended September 30,	
	2018	2019 (restated)	2020	2020 (restated)	2021
	Pre-IFRS 16	*Post-IFRS 16*			
	in millions of euros				
Cash flow from operating activities....	361.9	461.4	597.1	423.0	389.2
Cash flow from investing activities....	(366.9)	(1,445.3)	(229.0)	(156.6)	(322.6)
Cash flow from financing activities....	28.5	1,070.4	34.7	182.9	(96.4)
Change in cash and cash equivalents	**23.5**	**86.5**	**402.8**	**449.3**	**(29.9)**
Cash and cash equivalents[(a)] at end of period	**141.4**	**229.0**	**627.8**	**674.7**	**598.9**

(a) Cash and cash equivalents at the end of the period is defined net of bank overdrafts.

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

*You should read the following discussion in conjunction with our consolidated financial statements prepared in accordance with International Financial Reporting Standards as adopted by the European Union ("IFRS"). This discussion includes forward-looking statements that, although based on assumptions we consider reasonable, are subject to risks and uncertainties which could cause actual events or conditions to differ materially from those expressed or implied herein. See "*Forward-Looking Statements*" and "*Risk Factors*" for a discussion of the risks, uncertainties and assumptions associated with these statements.*

Overview

We are the leading equipment rental company in Europe and the fourth largest equipment rental company in the world, in each case based on our revenue for year ended December 31, 2020. We have operations in 30 countries on four continents with a large and well-established presence in Europe, serving the construction, industry, public works, services and events sectors. During the twelve months ended September 30, 2021, we generated €2,153.1 million in pro forma revenue and €772.9 million in pro forma EBITDA.

Our activities are conducted in three principal geographies:

- *France*, in which we had 489 branches as of September 30, 2021. In France we provide both generalist equipment for construction, industrial use, landscaping, local authorities and the service sector, as well as specialist equipment such as aerial work platforms, generators, portable accommodation and heavy equipment for civil engineering. We generated 42% of our pro forma revenue for the twelve months ended September 30, 2021 from France.

- *Nordic countries*, which consist of Denmark, Norway, Sweden and Finland. As of September 30, 2021, our network in the Nordic countries comprised 215 branches. We provide both generalist and specialist equipment in the Nordic countries primarily through our Ramirent and Loxam Access brands. We generated 31% of our pro forma revenue for the twelve months ended September 30, 2021 from the Nordic countries.

- *Rest of the world*, which includes all other international countries where we provide generalist and specialist equipment, mainly the United Kingdom, Spain, Italy, the Benelux, Germany as well as the Baltic States, the Middle East, Brazil, Colombia and Morocco. As of September 30, 2021, we had a network of 360 branches in these countries and our business in these countries generated 27% of our pro forma revenue for the twelve months ended September 30, 2021.

We rent approximately 2,000 different types of equipment and tools in our fleet (excluding accessories), which consisted of approximately 650,000 pieces (excluding accessories) with a gross book value of €4.5 billion as of September 30, 2021. Our generalist offering is focused on equipment principally used in construction and civil engineering projects. These projects encompass a wide range of activities, including new buildings in the residential, industrial, commercial and governmental sectors, renovation, utilities, roadwork and infrastructure. Our specialist equipment offerings serve specific client needs in terms of performance (such as power or reach) or quantity of equipment and can include aerial work platforms, generators, portable accommodation and heavy equipment for civil engineering.

We also provide services such as transportation, refueling, damage waiver and retail consumable products to complement and support our rental business. Over the course of the year ended December 31, 2020, we provided these services for approximately 536,000 customer accounts through our various brands such as Loxam Rental, Ramirent, LoxamHune and Nationwide Platforms. As of September 30, 2021, we had 1,027 European branches, more than any other rental network in Europe.

Key Factors Affecting Results Of Operations

Our results of operations are primarily affected by factors that impact the equipment rental industry generally, particularly cyclicality and economic conditions affecting the construction and civil engineering sectors, and our management of capital expenditures in response to changes in the cycle. Our results of operations can also be significantly affected on a short-term basis by one-time factors such as weather conditions in our principal markets. Our results of operations are also affected by the expansion of our rental network through acquisitions and the opening and closing of branches. These factors are described in greater detail below. For trends affecting our business and the markets in which we operate, see also "*Risk Factors*," "*Industry*" and "*Business*."

Cyclicality, seasonality and economic conditions

Demand for our products is dependent on the industries in which our customers operate, the general economy, the stability of the global credit markets and other factors. Many of the markets in which our customers operate are cyclical, with activity levels that tend to increase during periods of economic growth and decline during economic downturns. Demand for our products is correlated to conditions in these industries and in the general economy.

Conditions in the markets in which our customers operate have an impact on both the utilization rate of our equipment and on prices. As demand increases, utilization follows and we can then, subject to fixed pricing arrangements, choose to allocate equipment to customers who are willing to pay higher prices. When demand decreases, the opposite occurs, and we may reduce prices to preserve utilization levels. Demand can be affected by general economic trends that can have an impact (positive or negative) over a longer period and by short-term factors that affect the utilization rates and prices for a brief period. For example, demand in the construction and civil engineering markets tends to decrease in winter and during extended periods of inclement weather while increasing in the summer and during extended periods of mild weather. We seek to manage the impact of medium and long-term trends through the adjustment of our investments in new equipment, increases or decreases in sales of our equipment, and the management of our branch network, which allowed us to respond efficiently to the COVID-19 outbreak by reducing our capital expenditures and implementing cost cutting measures throughout the organization from mid-March 2020.

During the second quarter of 2020, most business operations of the Group were affected by the COVID-19 pandemic. The decrease in the level of activity was the sharpest in Southern and Western Europe where strict lockdown measures were imposed on business such as France, Italy and the UK. However, after the lifting of lockdown measures, a rapid recovery of the level of activity was noticed although the level of business did not come back to its pre-crisis level. During the third quarter of 2020, we experienced a business catch-up in the countries that had been mostly affected by the pandemic in the second quarter such as France, Spain and Italy. However, in other countries, the revenue trend continued to be in line with the previous quarter. In the fourth quarter of 2020, with the reinstatement of lockdown measures in some countries, our markets continued to be directly or indirectly affected by the pandemic.

The impact of the health crisis lessened in the course of the first nine months of 2021 in the countries in which we operate. However, some restrictions continued to weigh locally on the construction sector and business conditions varied among countries. For example, our business in France was able to reach a level of activity in the second quarter of 2021 that was similar to that of the second quarter of 2019. However, business conditions in the United Kingdom and the Nordic countries continued to suffer from restrictions impacting the construction sector. Nevertheless, we were able to maintain all of our branches open during the first nine months of 2021.

Investment in new equipment and asset sales

The management of our level of capital expenditure by increasing or decreasing the amount of investment in our fleet is an important factor in our results of operations and cash flow. Decisions about investment in new equipment are based on the condition and remaining useful life of our existing equipment as well as on our views of future demand. We sell assets in our fleet when we believe that these assets have reached the end of their useful life because they have become obsolete or when the cost of maintaining them in proper condition for customer use is too high. We also sell assets in our fleet before the end of their useful life if we believe a decline in demand in a given market is likely to last for a significant period of time. In 2020, we did not sell any of our fleet before the end of their useful life, because we considered that the COVID-19 crisis would affect us temporarily and that we would need the fleet for the recovery post-crisis. We believe that our experience in the rental equipment market allows us to recognize inflection points (the points at which demand is poised to level off or change direction) in the cycles affecting the sectors in which our customers operate, so that we can increase investment just before the bottom of the cycle (before we expect demand to expand), and decrease investment just before the top of the cycle (before we expect demand to contract). We believe that our anticipation of trends in the cycles affecting the sectors in which our customers operate, particularly historically in the construction and civil engineering sectors, has helped us to control our levels of investment and related debt, and thus maintain strong levels of cash flow and positive net income during the periods under review.

The allocation of investments in our rental fleet is determined by the type of equipment and the requirements of our business units. For example, in response to the COVID-19 outbreak throughout the first half of 2020, we rapidly reduced our capital expenditures as part of the implementation of measures to preserve our cash on hand. During the second half of 2020, we resumed our capital expenditure program as visibility improved. Overall, during the year ended December 31, 2020, we decreased our fleet capital expenditures by 44% to €191.9 million.

Operating Expenses

Our business, like that of all equipment rental groups, is capital-intensive with a predominantly fixed cost structure that principally relates to the depreciation of our equipment fleet, as well as other operating expenses that are fixed for short or long periods of time, such as certain personnel charges and rent on real estate. The management of our costs is an important factor in our results of operations and cash flow, as evidenced by our performance in 2020, when we were able to cut certain fixed costs such as staff costs through furlough mechanisms available to us in certain of the countries in which we operate or a reduction of our workforce, and significantly adjust our marginal variable costs downward. To the extent possible we seek to deploy our fleet so as to match increases and decreases in demand rather than relying on renting equipment from a third party to then rent it out to our own customers or other more costly measures to meet the needs of our customers.

Acquisitions

We make acquisitions to take advantage of opportunities for consolidation, to increase the density of our network in our existing markets or to enter new geographical or specialist markets. Acquisitions result in the addition of new branches and also the closing of existing ones as we consolidate our operations. Both of these can have a significant impact on our revenue from one period to the next. See "—*Factors Affecting Comparability of Results*" below for an explanation of how acquisitions during the periods under review have affected the comparability of our results across these periods.

Factors Affecting Comparability Of Results

The change in the scale of our rental network as a result of acquiring new branches and closing existing ones affects the comparability of our results during those periods by increasing both revenue and expenses.

Recent Acquisitions

During the periods under review, we made the following acquisitions:

<u>Nine months ended September 30, 2021</u>

- On June 1, 2021, Loxam Denmark acquired JM Trykluft A/S ("JM Trykluft"), a general equipment rental player with a network of nine branches located throughout Jutland. In 2020, JM Trykluft generated revenues of over €18 million and employed approximately 70 people.

- On June 10, 2021, Ramirent Sweden acquired Maskinslussen AB ("Maskinslussen"), a leading general equipment rental player in the Västra Götaland county (western part of Sweden), where it operates three branches. During its 2019/2020 fiscal year, Maskinslussen generated revenues of approximately €9 million and employed 44 people.

<u>Year ended December 31, 2019</u>

- On January 14, 2019, Nationwide Platforms acquired UK Platforms Limited ("UK Platforms") from HSS Hire Group Plc. UK Platforms is specialized in renting powered access equipment in the United Kingdom and in Ireland.

- On June 19, 2019, Loxam launched a voluntary recommended public cash tender offer to purchase all of the issued and outstanding shares of Ramirent Ltd (formerly Ramirent Plc). On July 24, 2019, Loxam acquired 98.2% of the shares of Ramirent. On December 20, 2019, the squeeze-out procedure for the remaining shares of Ramirent was completed. Loxam owns 100% of Ramirent and has consolidated Ramirent and its subsidiaries in its financial statements since August 1, 2019.

Year ended December 31, 2018

- On June 8, 2018, Loxam acquired 100% of Négoce de Véhicules Automoteurs (“NVA”), a French company specializing in logistics for events which merged into Loxam SAS on September 1, 2018.

- On June 21, 2018, Loxam completed the acquisition of the Italian powered access equipment rental company No.Ve S.r.l. (“Nove”) from Haulotte Group SA. The six branches acquired merged into Loxam Access SRL on December 21, 2018.

Recent Disposals

During the year ended December 31, 2020, we also carried out two disposals:

- On January 12, 2020, Ramirent Oy sold its 50% stake in its joint venture Fehmarnbelt Solution Services A/S in Denmarket to its German joint venture partner Zeppelin Rental.

- On April 4, 2020, KOy Nummelanrinne, a Finnish real estate subsidiary of Ramirent Oy, was sold.

Impact of Recent Acquisitions on Financial Statements

Our consolidated financial statements for the nine months ended September 30, 2021 include four months of activity of JM Trykluft and Maskinslussen, acquired on June 1, 2021 and June 10, 2021, respectively. Both entities have been consolidated into our consolidated financial statements since June 1, 2021. As of September 30, 2021, we had not initiated purchase price allocation in respect of these acquisitions.

Our consolidated financial statements for the year ended December 31, 2020 include a full 12 months of activity of Ramirent, whereas our consolidated financial statements for the year ended December 31, 2019 include only five months of activity of Ramirent, as we acquired a majority of Ramirent’s shares on July 24, 2019 and began consolidating it into our consolidated financial statements as from August 1, 2019.

Constant Perimeter Information

In order to adjust for the changes in our rental network as a result of our recent acquisitions and ease comparability of certain information between periods, we present certain information at constant perimeter in this listing prospectus.

The information provided at constant perimeter for the nine months ended September 30, 2021 compared to the nine months ended September 30, 2020 excludes the financial information of JM Trykluft and Maskinslussen.

The information provided at constant perimeter for the year ended December 31, 2020 compared to the year ended December 31, 2019 includes the additional contribution of seven months of activity of Ramirent.

The information provided at constant perimeter for the year ended December 31, 2019 compared to the year ended December 31, 2018 eliminates the financial information of Ramirent and UK Platforms.

Information provided at constant perimeter has not been reviewed or audited by our statutory auditors and therefore investors should not place undue reliance on it.

Explanation Of Key Line Items From The Income Statement

The following is a summary description of certain line items from our income statement. For more information see *“—Critical Accounting Policies and Estimates*” and the notes to our consolidated audited financial statements.

Revenue includes the fees paid by customers to rent equipment and revenue from related services such as transportation, fuel, damage waivers and the cost of repair and maintenance services charged back to our customers, as well as the retail activities at our branches.

Other income principally includes net capital gains on disposals of fleet assets and real estate rent paid by subtenants.

Purchases consumed includes (1) the cost of goods purchased for resale in our retail activity, as well as the cost of fuel and maintenance parts that are rebilled to customers; and (2) the cost of parts used by the workshops in our branches to maintain our equipment.

Personnel expenses relates primarily to the salaries, social security charges, and profit sharing expenses for our employees.

Other current expenses includes (1) external expenses that are directly related to our rental activity, such as transportation, subcontracted maintenance costs, re-rent (subleasing equipment from external renters to fill customer orders when there is not sufficient quantity at our branches) and costs associated with temporary workers; (2) external expenses related to the group, such as rent on real estate and related expenses, general administrative expenses (including insurance, advisory fees, communications and IT), advertising expenses and other management costs; and (3) losses on bad debts, net of change in provisions on current assets. Since January 1, 2019, following the application of the IFRS 16 standard, rent expenses related to lease contracts for real estate, heavy vehicles and light vehicles are cancelled (for lease contracts in the scope of the standard).

Taxes and duties relates mainly to property and local taxes (including the CET or *Contribution Economique Territoriale* paid in France).

Depreciation and amortization principally includes depreciation of fixed assets (fleet and non- fleet). Depreciation and amortization also includes depreciation of intangible assets (trademarks and customer relationships). Under IFRS 16, as a lessee, the Group accounts for right-of-use assets associated with leases and recognizes amortization in respect thereof on a straight-line basis over the lease term.

Other operating income and expense includes a limited number of unusual, abnormal, and uncommon items, with significant amounts, which are disclosed separately in the income statement to make it easier to appreciate the Group's current operating performance.

Financial income primarily includes interest income on cash balances, while financial expense comprises interest charges on bank loans and bonds and hedging expenses. It also includes changes in the fair value of derivatives instruments and the interest cost related to the lease liability generated by the application of the IFRS 16 standard as of January 1, 2019.

Income tax consists of current and deferred taxes calculated in accordance with the relevant tax laws in force in the jurisdictions in which we operate. As of September 30, 2021, the corporate tax rate in France was 25.83%. We are also subject to tax rates in the other countries in which we operate, which ranged from 0% to 34% as of that date.

Share of associates includes the group's share of the result of companies accounted for by the equity method.

Results Of Operations

The table below sets out our results of operations for the years ended December 31, 2018, 2019 and 2020 and the nine months ended September 30, 2020 and 2021.

	Year ended December 31,			**Nine months ended September 30,**	
	2018	**2019 (restated)**	**2020**	**2020 (restated)**	**2021**
	***Pre-IFRS 16*[(1)]**	***Post-IFRS 16***			
		in millions of euros			
Revenue	1,482.6	1,871.4	1,988.9	1,455.5	1,599.8
Other income[(2)]	56.7	59.5	70.7	53.1	36.6
Operating income	**1,539.3**	**1,930.9**	**2,059.6**	**1,508.6**	**1,636.4**
Purchases consumed	(162.8)	(193.4)	(185.1)	(128.9)	(157.5)
Personnel expenses	(381.3)	(467.5)	(513.9)	(380.3)	(427.4)
Other current expenses	(475.3)	(548.8)	(612.9)	(446.9)	(462.6)
Taxes and duties	(19.3)	(19.6)	(19.8)	(15.2)	(13.6)
Depreciation and amortization	(287.8)	(462.2)	(553.4)	(414.0)	(388.9)
Profit from ordinary operations	**212.9**	**239.5**	**174.5**	**123.3**	**186.5**

	Year ended December 31,			Nine months ended September 30,	
	2018	2019 (restated)	2020	2020 (restated)	2021
	Pre-IFRS 16[(1)]	*Post-IFRS 16*			
		in millions of euros			
Other operating income and expense[(3)]	0.2	(28.1)	(12.0)	(0.6)	(1.7)
Operating profit	**213.2**	**211.4**	**162.5**	**122.7**	**184.7**
Interest and financing-related expenses	(97.2)	(126.9)	(158.7)	(119.5)	(115.4)
Other financial income and expenses	(5.0)	(27.9)	0.1	(2.1)	(4.0)
Financial income (expense)	**(102.1)**	**(154.9)**	**(158.6)**	**(121.6)**	**(119.4)**
Profit before tax	**111.0**	**56.5**	**3.8**	**1.1**	**65.3**
Share of profit of associates and joint ventures	—	0.9	1.1	0.6	0.8
Income tax expense	(20.6)	(9.6)	(0.7)	(3.2)	(12.1)
Net profit	**90.4**	**47.9**	**4.3**	**(1.4)**	**54.1**
Non-controlling interests	(5.2)	(1.2)	(0.5)	(0.4)	1.2
Net profit, Group share	**95.7**	**49.1**	**4.8**	**(1.0)**	**52.9**

(1) We have applied IFRS 16 from January 1, 2019, using the modified retrospective approach. Under this approach, comparative information is not restated.

(2) Other income includes capital gains on disposal of fleet assets for €41.5 million, €47.5 million and €57.9 million in 2018, 2019 and 2020, respectively, and €43.8 million and €29.9 million for the nine months ended September 30, 2020 and September 30, 2021, respectively. It also includes income from real estate rentals to third parties for €6.1 million, €4.7 million and €3.9 million in 2018, 2019 and 2020, respectively, and €3.6 million and an expense of €0.1 million for the nine months ended September 30, 2020 and September 30, 2021, respectively.

(3) In 2018, other operating income and expense mainly consisted of the settlement gain on IAS 19 contracts in the Netherlands of €4.6 million, which were offset by non-recurring costs of €2.0 million relating to the acquisitions in 2018, an impairment on fleet of €1.5 million, a depreciation on goodwill of €0.7 million and a depreciation on the Lavendon France trademark of €0.6 million. In 2019, other operating income and expense mainly included €12.9 million of acquisition costs, a goodwill depreciation of Loxam Denmark of €10.0 million and a restructuring plan for Ramirent Sweden of €5.3 million. In 2020, other operating income and expense mainly included a goodwill depreciation of Rapid Access (Middle east) of €10.0 million and of Atlas Rental (Morocco) of €0.9 million and an impairment of €0.6 million related to the sale of the Twinsite project (a training activity of Ramirent Sweden). During the nine months ended September 30, 2021, other operating income and expense mainly included impairment of capitalized costs related to non-completed projects in Sweden for €0.6 million, acquisition costs of €0.7 million and the full depreciation of the Nacanco trademark of €0.4 million.

Consolidated Condensed Income Statement Data

We consider revenue and EBITDA to be key measures in analyzing our business. EBITDA is a non-IFRS measure but we believe that it and similar measures are widely used by certain investors as supplemental measures of performance and liquidity. See "—*Liquidity and Capital Resources—EBITDA*." Prior to January 1, 2021, our business was organized into three divisions: Generalist France, Specialist France and International. From January 1, 2021, we present three divisions based on our three main geographical regions: France, the Nordic countries (consisting of Denmark, Norway, Sweden and Finland) and the rest of the world.

The following table sets out these key figures in our historical divisions (Generalist France, Specialist France and International) for the years ended December 31, 2018, 2019 and 2020 and in our new divisions (France, Nordic Countries and Rest of the World) for the nine months ended September 30, 2020 and 2021.

	Year ended December 31,		
	2018	2019 (restated)	2020
	Pre-IFRS 16	*Post-IFRS 16*	
	in millions of euros, unless otherwise indicated		
Revenue			
Generalist France(1)	655.8	681.5	586.8
Specialist France(1)	228.5	242.8	216.0
France	**884.3**	**924.3**	**802.8**
International	598.3	947.2	1,186.1
Total revenue	**1,482.6**	**1,871.4**	**1,988.9**
EBITDA			
Generalist France(2)	255.5	276.2	235.5
Specialist France(2)	78.2	87.7	82.6
France	**303.7**	**364.0**	**318.1**
International	195.3	331.1	404.4
Real Estate(3)	1.7	6.6	5.4
Total EBITDA	**500.7**	**701.7**	**727.9**
EBITDA margin	***33.8%***	***37.5%***	***36.6%***

(1) To present the revenue of Generalist France and Specialist France, we allocate revenue by branch. Where revenue is related to events-related rentals handled by Loxam Event, which is not in a particular division, we allocate revenue to the branch whose equipment is rented.

(2) To present the EBITDA of Generalist France and Specialist France, we allocate rebates pro rata based on revenue, which is accounted for centrally, and then allocate direct expenses (which represent a majority of expenses) directly to a given branch. Indirect expenses are allocated centrally or regionally and are then allocated to a given branch according to a factor that is based on that branch's revenue, the gross value of its equipment or the rental value of its equipment. See "*—Liquidity and Capital Resources—EBITDA*" for a reconciliation of EBITDA to profit from ordinary operations and net profit.

(3) Real estate EBITDA corresponds to rental income from real estate held by the Group that is not assigned to a division.

	Nine months ended September 30,	
	2020 (restated)	2021
	Post-IFRS 16	
	in millions of euros, unless otherwise indicated	
Revenue		
France	574.8	683.7
Nordic countries	479.1	471.3
Rest of the world	401.6	444.9
Total revenue	**1,455.5**	**1,599.8**
EBITDA		
France	236.8	254.8
Nordic countries	150.8	148.0
Rest of the world	149.7	172.6
Total EBITDA	**537.3**	**575.3**
EBITDA margin	***36.9%***	***36.0%***

Nine months ended September 30, 2021 compared to nine months ended September 30, 2020

Revenue

Our revenue increased by 9.9% to €1,599.8 million in the nine months ended September 30, 2021 compared to revenue of €1,455.5 million in the nine months ended September 30, 2020. At constant perimeter and at constant exchange rates, revenue increased by 8.6%.

Revenue from activities in France increased by 18.9% in the nine months ended September 30, 2021 to €683.7 million compared to €574.8 million in the nine months ended September 30, 2020 as the lockdown measures strongly affected the level of demand from customers from mid-March to Mid-May 2020.

Revenue of activities in Nordic countries decreased by 1.6% to €471.3 million for the nine months ended September 30, 2021 from €479.1 million for the nine months ended September 30, 2020. At constant perimeter and exchange rates, it decreased by 6.0%. The Nordic countries were relatively less impacted by lockdown measures in 2020 but have suffered from fewer large projects entailing a high level of service income with lower profitability.

In the Rest of the World, revenue increased by 10.8% to €444.9 million for the nine months ended September 30, 2021 from €401.6 million for the nine months ended September 30, 2020. At constant perimeter and at constant exchange rates, revenue increased by 11.3%. We have seen an increase in activity compared to the lockdowns imposed during part of 2020, although certain geographies, such as the Middle East, experienced continued lags in activity due to a lack of projects.

Other income

Other income decreased by 31.1% to €36.6 million in the nine months ended September 30, 2021 from €53.1 million in the nine months ended September 30, 2020. This decrease was mainly driven down by lower capital gains on the sale of obsolete equipment. As utilization rates improved in 2021, this resulted in a reduced level of old equipment divestment.

EBITDA

We generated EBITDA of €575.3 million in the nine months ended September 30, 2021, representing an increase of 7.1% compared to €537.3 million in the nine months ended September 30, 2020. Our EBITDA margin decreased from 36.9% of our revenue for the nine months ended September 30, 2020 to 36.0% of our revenue for the nine months ended September 30, 2021.

France EBITDA increased by 7.6% to €254.8 million for the nine months ended September 30, 2021, from €236.8 million for the nine months ended September 30, 2020, primarily reflecting higher revenue. In 2020, in the face of the effects of the COVID-19 pandemic, we were able to implement a strict financial policy to reduce costs. In addition, the division benefitted from the support of government with a furlough mechanism which reduced significantly staff costs. As revenue recovered during the nine months ended September 30, 2021, the French division recorded some costs linked to the recovery such as higher staff costs, higher maintenance costs (due to higher utilization of equipment) and marketing costs. We also recorded a decrease of capital gains as we engaged in fewer divestments of old fleet equipment as market demand stabilized in 2021. As a result, France EBITDA margin decreased from the high level of 41.2% for the nine months ended September 30, 2020 to 37.3% for the nine months ended September 30, 2021.

Nordic Countries EBITDA was €148.0 million for the nine months ended September 30, 2021, a decrease of 1.9% from €150.8 million for the nine months ended September 30, 2020. Nordic Countries EBITDA decreased by 7.4% at constant perimeter and exchange rates. As we continued to apply disciplined cost management, EBITDA margin remained stable at 31.4% for the nine months ended September 30, 2021, compared with 31.5% for the nine months ended September 30, 2020.

In the Rest of the World, EBITDA increased by 15.3% from €149.7 million for the nine months ended September 30, 2020 to €172.6 million for the nine months ended September 30, 2021. Rest of the World EBITDA increased by 15.9% at constant perimeter and exchange rates, boosted by a recovery in revenue while maintaining cost discipline. As a result, EBITDA margin for this division increased from 37.3% for the nine months ended September 30, 2020 to 38.8% for the nine months ended September 30, 2021.

Operating Expenses

Purchases consumed

Purchases consumed increased by 22.1% to €157.5 million for the nine months ended September 30, 2021 compared to €128.9 million for the nine months ended September 30, 2020 due primarily to an increase in expenses for consumables as revenue recovered.

Personnel expenses

Personnel expenses increased by 12.4% to €427.4 million for the nine months ended September 30, 2021 from €380.3 million for the nine months ended September 30, 2020. The increase is primarily attributable to lower costs during the first nine months of 2020 related to furloughs, reduction of performance-related pay, working hours and holiday pay, as well as a reduction in temporary staff, whereas in the first nine months of 2021, the return to a standard level of activity has required increased staffing presence, while provisions for bonuses increased.

Other current expenses

Other current expenses increased by 3.5% to €462.6 million in the nine months ended September 30, 2021 from €446.9 million in the nine months ended September 30, 2020. External expenses increased by 6.4% in the first nine months of 2021 compared to the first nine months of 2020, as haulage costs, maintenance costs and marketing costs increased in line with the increase of activity in 2021.

Depreciation and amortization

Depreciation and amortization for property, plant and equipment (excluding depreciation of right-of-use assets) decreased from €295.8 million for the nine months ended September 30, 2020 to €277.1 million for the nine months ended September 30, 2021, primarily as a consequence of the low level of capital expenditure during first nine months of 2020.

The amortization expense of intangible assets decreased slightly from €36.8 million for the nine months ended September 30, 2020 to €34.9 million for the nine months ended September 30, 2021. This decrease was due to adjustments made during the first nine months of 2020 on the purchase price allocation related to the Ramirent Acquisition (including the introduction of a tax amortization benefit and an update of amortization durations), as well as a foreign exchange impact.

The depreciation of right-of-use assets amounted to €76.9 million for the nine months ended September 30, 2021 compared to €81.4 million for the nine months ended September 30, 2020, primarily due to the end of the lease contract related to our former head office.

Other operating income and expense

Other operating income and expense amounted to a net expense of €1.7 million for the nine months ended September 30, 2021 compared to a net expense of €0.6 million for the nine months ended September 30, 2020. During the nine months ended September 30, 2021, other operating income and expense mainly included impairment of capitalized costs related non-completed projects in Sweden for €0.6 million, acquisition costs of €0.7 million and the full depreciation of the Nacanco trademark of €0.4 million. Other operating income and expense for the nine months ended September 30, 2020 included acquisition costs related to the buyout of minority interest of Ramirent for €0.4 million, the net gain on disposal of Fehmarnbelt Solution Services A/S for €0.2 million and the net loss on disposal of KOy Nummelanrinne for €0.3 million and legal and audit fees related to non-recurring operation of €0.2 million.

Financial income and expense

Our net financial expense decreased slightly from a net expense of €121.6 million for the nine months ended September 30, 2020 to a net expense of €119.4 million for the nine months ended September 30, 2021. The decrease was primarily due to lower interest costs during the first nine months of 2021, as well as a foreign exchange impact, offset by non-recurring fees related to the setup of the new €345 million Revolving Credit Facility.

Income tax

Profit before tax increased from a profit of €1.1 million for the nine months ended September 30, 2020 to a profit of €65.3 million for the nine months ended September 30, 2021. Income tax increased from an expense of €3.2 million for the nine months ended September 30, 2020 to an expense of €12.1 million for the nine months ended September 30, 2021 due to the Group's higher profitability in France in the first nine months of 2021.

Net profit, group share

As a result of the factors detailed above, the group share of net profit increased from a net loss of €1.0 million for the nine months ended September 30, 2020 to a net profit of €52.9 million for the nine months ended September 30, 2021.

Year ended December 31, 2020 compared to year ended December 31, 2019

Revenue

Our revenue increased by 6.3% to €1,988.9 million in 2020 compared to revenue of €1,871.4 million in 2019. At constant perimeter and at constant exchange rates, revenue decreased by 12.7% in 2020.

Revenue from our Generalist France division decreased by 13.9% from €681.5 million in 2019 to €586.8 million in 2020. Revenue of the Generalist France division was affected by the strict lockdown measures introduced to curb the COVID-19 outbreak from mid-March to mid-May 2020. During the lockdown period activity on construction sites was sharply reduced but recovered fast thereafter. Our revenue held up well during the last quarter of the year despite more difficult trading conditions for some sectors as new lockdown measures on some businesses (but not construction) were imposed.

Revenue from our Specialist France division decreased by 11.0% to €216.0 million from €242.8 million. The Specialist France division was also penalized by the cancellation or postponement of events and industrial maintenance in 2020. However, our temporary modular constructions activity developed well as demand remained strong and also benefitted from sanitary measures of our customers.

Revenue at our International division increased by 25.2% to €1,186.1 million from €947.2 million, due to the effect of the Ramirent Acquisition. Ramirent was consolidated over 12 months in 2020 versus five months in 2019. At constant perimeter and exchange rates, revenue at the International division decreased by 12.4% in 2020. Our overall performance in our International division was, however, more varied at the country level. Over the year, the Middle East and the United Kingdom continued to be affected by the lack of projects. Ramirent experienced a lower level of demand in the second half of the year from industrial customers, while volatility increased in the Baltic States.

In 2020, 29.5% of our revenue was generated from our Generalist France division (down from 36.4% in 2019), 10.9% was generated from our Specialist France division (down from 13.0% in 2019), and our International division contributed to 59.6% (up from 50.6% in 2019).

Other income

Other income increased by 18.9% from €59.5 million in 2019 to €70.7 million in 2020, mainly due to the consolidation of Ramirent. At constant perimeter, other income decreased by 5.8% as a result of lower proceeds from fleet divestment and property lease revenue from third parties decreased as we moved to new headquarters in France in October 2020.

EBITDA

We generated EBITDA of €727.9 million in 2020, representing an increase of 3.7% compared to our restated EBITDA of €701.7 million in 2019. At constant perimeter and at constant exchange rates, our EBITDA margin remained stable at 36.6% of our revenue in 2020.

At our Generalist France division, EBITDA decreased by 14.8% to €235.5 million in 2020 from a restated EBITDA of €276.2 million in 2019. EBITDA margin decreased slightly by 0.4 percentage points to 40.1%. We were able to maintain this robust margin level due to the quick adjustments made to cut the division's costs.

At our Specialist France division, EBITDA decreased by 5.8% to €82.6 million in 2020 from a restated EBITDA of €87.7 million in 2019. EBITDA margin increased by 2.1 percentage points to 38.3% in 2020, as a result of the good performance of our temporary modular construction business and actions taken in 2019 to reduce costs and external charges at some of the business units of this division.

EBITDA at the International division increased by 22.1% to €404.4 million in 2020, from a restated EBITDA of €331.1 million in 2019. At constant perimeter and at constant exchange rates, the EBITDA of our International division decreased by 12.9%. EBITDA margin of the International division lost only 0.9 percentage points to 34.1%, as a result of the offsetting impact of the widespread cost cutting measures which were adequate for the level of activity of our business units.

Operating Expenses

Purchases consumed

Purchases consumed decreased by 4.3% from €193.4 million in 2019 to €185.1 million in 2020. At constant perimeter, purchases consumed decreased by 16.3% in line with our lower level of activity.

Personnel expenses

Personnel expenses increased by 9.9% to €513.9 million in 2020 from €467.5 million in 2019. At constant perimeter, personnel expenses decreased by 8.8%, as the result of decisions made concerning the furlough of staff, the reduction in working hours and holiday pay, among other things, as well as a reduction in staff numbers mostly at the International division.

Other current expenses

Other current expenses increased by 11.7% to €612.9 million in 2020 from €548.8 million in 2019. External expenses decreased by 15.6% at constant perimeter in 2020 compared to 2019, due primarily to a reduction of variable costs such as sub-contracting in terms of haulage, maintenance, operator costs. Travel costs and marketing costs were also cut sharply because of the sanitary crisis.

Depreciation and amortization

Depreciation and amortization for property, plant and equipment (excluding depreciation of right-of-use assets) increased from €347.0 million in 2019 to €393.7 million in 2020, as a consequence of the consolidation of Ramirent. At constant perimeter, the fleet depreciation expense decreased by 5.4% as a result of the strong reduction in the capex spent in 2020.

The amortization expense of intangible assets increased to €49.2 million in 2020 compared to €26.6 million in 2019. The increase in amortization expense is related to the amortization of trademarks and customer relationships at Ramirent following the allocation on intangible assets of the goodwill inherited from the acquisition.

Following the application of IFRS 16, as a lessee, the Group recognized the right-of-use assets and amortized them on a straight-line basis over the lease term of each contract. For 2020 the amortization related to the right-of-use amounted to €110.5 million, compared to €88.6 million in 2019. The increase is mainly due to the contribution of Ramirent.

Other operating income and expense

Other operating expense amounted to €12.0 million in 2020 compared to €28.1 million in 2019. Non-recurring costs in 2020 mainly included the partial impairment of the goodwill of our subsidiaries in the Middle East for €10.0 million. We also fully impaired the goodwill of our Moroccan subsidiary for €0.9 million. In 2019, non-recurring costs included the partial impairment of the goodwill of our Danish subsidiary of €10.0 million and acquisition costs for €12.9 million, as well as provisions amounting to €5.3 million relating to the cost of the combination of Ramirent's operations in Norway and Sweden with those of Stavdal.

Financial income and expense

Our net financial expense increased from a net expense of €154.9 million in 2019 to a net expense of €158.6 million in 2020, as it included an interest charge increase of €27.0 million for the high yield bonds issued to finance the acquisition of Ramirent. The 2019 accounts were also impacted by €28.3 million of transaction costs linked to the financing of Ramirent's acquisition.

Income tax

Profit before tax decreased from €56.5 million in 2019 to €3.8 million in 2020. Income tax decreased from an expense of €9.6 million in 2019 to an expense of €0.7 million in 2020 due to the Group's much lower profitability in 2020.

Net profit, group share

As a result of the factors detailed above, the group share of net profit decreased from €49.1 million in 2019 to €4.8 million in 2020.

Year ended December 31, 2019 compared to year ended December 31, 2018

Revenue

Our revenue increased by 26.2% to €1,871.4 million in 2019 compared to revenue of €1,482.6 million in 2018, due primarily to the Ramirent Acquisition and its integration into our consolidation scope since August 1, 2019. At constant perimeter and at constant exchange rates, revenue increased by 1.9% in 2019, for the reasons described below.

Revenue from our Generalist France division increased by 3.9% from €655.8 million in 2018 to €681.5 million in 2019. This growth was fully organic and was fueled by a good level of demand.

Revenue from our Specialist France division increased by 6.2% to €242.8 million from €228.5 million as the division continued to benefit from past fleet capital expenditure to grow our fleet.

In our International division, revenue increased by 58.3% at current exchange rate at €947.2 million from €598.3 million, due to the enlarged scope of consolidation in 2019 of acquisitions completed in the last two years. At constant perimeter and at constant exchange rates, International revenue decreased by 2.0% in 2019 as we experienced a decrease of our revenue in the Middle East, where demand and pricing remained weak.

In 2019, 36.4% of our revenue was generated from our Generalist France division (down from 44.2% in 2018), 13.0% was generated from our Specialist France division (down from 15.4% in 2018), with our International division contributing to 50.6% (up from 40.4% in 2018).

Other income

Other income increased by 4.9% from €56.7 million in 2018 to €59.5 million in 2019, mainly due to higher level of fleet disposals in our Generalist France division, which led to higher capital gains, as well as the impact of the Ramirent Acquisition on our consolidation scope.

EBITDA

We generated EBITDA of €693.8 million in 2019, representing an increase of 38.6% compared to €500.7 million in 2018. Excluding the impact of IFRS 16 of €84.8 million, EBITDA increased by 21.6% to €609.0 million in 2019. At constant perimeter and at constant exchange rates, our EBITDA margin decreased slightly by 0.6 percentage points to 33.2% of our revenue in 2019, compared to 33.8% in 2018.

In our Generalist France division, EBITDA grew by 19.7% to €269.8 million in 2019 from €225.5 million in 2018. Excluding the impact of IFRS 16, EBITDA from our Generalist Division grew by 5.5% to €237.8 million in 2019 from €225.5 million in 2018, due to organic growth and good market conditions. The EBITDA margin grew by 0.5 percentage points to 34.9%.

In our Specialist France division, EBITDA grew by 10.3% to €86.2 million in 2019. Excluding the impact of IFRS 16, our Specialist division EBITDA grew by 3.0% to €80.6 million in 2019 from €78.2 million in 2018, thanks to organic growth. The EBITDA margin decreased by one percentage point to 33.2% in 2019.

EBITDA from our International division increased by 69.5% to €331.1 million in 2019, from €195.3 million in 2018. Excluding the impact of IFRS 16, our International division EBITDA increased by 47.4% to €287.8 million from €195.3 million in 2018, due to the impact of the Ramirent Acquisition on our consolidation scope. At constant perimeter and at constant exchange rates, the EBITDA of our International Division decreased by 8.1% due to a decrease in the Middle East, whose EBITDA margin has come closer to the Group's average.

Operating Expenses

<u>Purchases consumed</u>

Purchases consumed increased by 18.8% from €162.8 million in 2018 to €193.4 million in 2019. At constant perimeter, purchases consumed increased by 3.8% as a consequence of an increase in workshop purchases and fuel costs.

Personnel expenses

Personnel expenses increased by 22.6% to €467.5 million in 2019 from €381.3 million in 2018. At constant perimeter, personnel expenses increased by 3.2%, mainly due to an increase in France, where the average number of staff grew by 2.2%, and social charges grew by 5.7%.

Other current expenses

Other current expenses increased by 17.1% to €556.7 million in 2019 from €475.3 million in 2018. Excluding the impact of IFRS 16 (through the neutralization of €84.8 million of lease expenses), recurring external charges increased by 1.9% at constant perimeter in 2019 compared to 2018, mainly due to the increase in haulage and administrative costs, partially offset by a reduction in external rehires.

Depreciation and amortization

Depreciation and amortization for property, plant and equipment (excluding the impact IFRS 16) increased from €275.7 million in 2018 to €347.0 million in 2019, as a consequence of the consolidation of Ramirent. At constant perimeter, the fleet depreciation expense increased by 5.6% as a result of the level of capital expenditure in the past years and the earlier delivery of capital expenditure in France this year.

Depreciation of intangible assets increased from €12.1 million in 2018 to €26.6 million in 2019, due to the depreciation of the UK Platforms and Ramirent trademarks and customer relationships for respectively a period of 12 and 5 months.

With the application of IFRS 16, as a lessee, the Group recognizes right-of-use assets and amortizes them on a straight-line basis over the lease term of each contract. For 2019, the amortization related to the right-of-use amounted to €81.3 million.

Other operating income and expense

Other operating income and expense amounted to a net expense of €28.1 million in 2019, compared to a net income of €0.2 million in 2018. In 2019, other operating income and expense mainly included €12.9 million of acquisition costs, a goodwill depreciation of Loxam Denmark of €10.0 million and a restructuring plan for Ramirent Sweden of €5.3 million.

In 2018, other operating income and expense mainly consisted of the settlement gain on IAS 19 contracts in the Netherlands of €4.6 million resulting from the transfer of employees of our Dutch subsidiaries from a defined benefit plan to a defined contribution plan, which were offset by non-recurring costs of €2.0 million relating to the acquisitions in 2018, an impairment on fleet of €1.5 million, a depreciation on goodwill of €0.7 million and a depreciation on the Lavendon France trademark of €0.6 million.

Financial income and expense

Our net financial expense increased from €102.1 million in 2018 to €153.8 million in 2019, including an IFRS 16 impact of €9.5 million, and non-recurring costs relating to the commitment fees for the bridge loan for the Ramirent Acquisition and the early redemption premium paid in connection with the refinancing we carried out in April 2019. Our financial expense included interest costs of €24 million on the €1,400 million in aggregate principal amount of high yield notes issued in July 2019. The annual interest charge for these high yield notes is estimated to be approximately €54 million.

Income tax

Profit before tax decreased from €111.0 million in 2018 to €57.0 million in 2019. Income tax decreased from €20.6 million in 2018 to €9.7 million in 2019 due to a decrease of income for the reasons stated above.

Net profit, group share

As a result of the factors detailed above, the group share of net profit decreased from €95.7 million in 2018 to €49.4 million in 2019.

EBITDA

We define EBITDA as profit from ordinary operations plus depreciation and amortization of fixed assets. However, other companies may present EBITDA differently than we do. We present EBITDA as additional information because we believe it is helpful to investors in highlighting trends in our business. EBITDA is not a measure of financial performance under IFRS and should not be considered as an alternative to profit from ordinary operations as an indicator of our operating performance or any other measures of performance derived in accordance with IFRS.

The following table presents a reconciliation of EBITDA to profit from ordinary operations and net profit for the periods indicated.

	Year ended December 31,			**Nine months ended September 30,**	
	2018	**2019 (restated)**	**2020**	**2020 (restated)**	**2021**
	Pre-IFRS 16	***Post-IFRS 16***			
		in millions of euros			
EBITDA	**500.7**	**701.7**	**727.9**	**537.3**	**575.3**
Depreciation and amortization	(287.8)	(462.2)	(553.4)	(414.0)	(388.9)
Profit from ordinary operations	**212.9**	**239.5**	**174.5**	**123.3**	**186.5**
Other operating income and expense	0.2	(28.1)	(12.0)	(0.6)	(1.7)
Financial income and expense	(102.1)	(154.9)	(158.6)	(121.6)	(119.4)
Share of profit of associates	—	0.9	1.1	0.6	0.8
Income tax expense	(20.6)	(9.6)	(0.7)	(3.2)	(12.1)
Net profit	**90.4**	**47.9**	**4.3**	**(1.4)**	**54.1**

Cash Flow

The following is a discussion of our cash flow from operations, cash flow from investing activities and cash flow from financing activities for the nine months ended September 30, 2021 and 2020 and the years ended December 31, 2018, 2019 and 2020.

Cash flow from operations includes fluctuations in our working capital requirements. In addition to typical variations in our accounts receivables and payables, working capital is also affected by the level of income tax debt or credit at the end of the year and by payables to fleet suppliers.

Cash flow from investing activities consists of our net capital expenditures, i.e., capital expenditures less the proceeds from the sale of the equipment retired from operations, as well as the cash impact of external acquisitions.

Cash flow from financing activities reflects the net issuance of new debt or equity, less debt repayments and dividend payments.

Nine months ended September 30, 2021 compared to nine months ended September 30, 2020

The following table presents a summary of our cash flow for the nine months ended September 30, 2021 as compared to the nine months ended September 30, 2020:

	Nine months ended September 30,	
	2020 (restated)	2021
	Post IFRS 16	*Post IFRS 16*
	(in millions of euros)	
Cash flow from operations	423.0	389.2
Cash flow from investing activities	(156.6)	(322.6)
Cash flow from financing activities	182.9	(96.4)
Change in cash and cash equivalents	**449.3**	**(29.9)**
Cash and cash equivalents at the end of the period[1]	**674.7**	**598.9**

(1) Cash and cash equivalents at the end of the period is presented net of bank overdrafts.

Cash flow from operations

Net cash provided by operations decreased by 8.0% from €423.0 million in the nine months ended September 30, 2020 to €389.2 million in the nine months ended September 30, 2021. Excluding the impact of IFRS 16 and before changes in working capital requirements and variations in other financial debt and in accrued interest on debt, net cash provided by operations was €335.6 million in the nine months ended September 30, 2021, compared to €287.6 million in the nine months ended September 30, 2020, mainly due to a higher EBITDA excluding capital gains on disposals. Changes in working capital had a negative impact of €22.8 million in the nine months ended September 30, 2021, compared to a positive impact of €55.0 million in the nine months ended September 30, 2020, which at the time was caused by lower trade receivables as well as certain payment deferrals offered by public authorities. In the nine months ended September 30, 2021, the level of trade receivables increased in line with the increase in our revenue.

Cash flow from investing activities

Net cash used in investing activities increased from €156.6 million in the nine months ended September 30, 2020 to €322.6 million in the nine months ended September 30, 2021, due to increased investments in our rental fleet in 2021 after a halt in purchases in the second quarter of 2020 because of the strict business lockdown. Purchases of fixed assets increased from €154.7 million in in the nine months ended September 30, 2020, of which our rental fleet accounted for €130.2 million, to €265.9 million in in the nine months ended September 30, 2021, of which our rental fleet accounted for €239.5 million. Cash from fixed asset disposals, most of which related to our rental fleet, decreased from €63.5 million in the nine months ended September 30, 2020 to €44.3 million in the nine months ended September 30, 2021. Cash used for acquisitions totaled €30.7 million in the nine months ended September 30, 2021, while we did not carry out any acquisitions in 2020. €17.3 million were however paid in 2020 for the acquisition of minority shareholdings following the Ramirent Acquisition.

Cash flow from financing activities

Net cash flow from financing activities decreased significantly from a net inflow of €182.9 million in the nine months ended September 30, 2020 to a net outflow of €96.4 million in the nine months ended September 30, 2021. In the first half of 2020, we drew on all available credit lines, including our former €75 million revolving credit facility, and negotiated new bilateral loans with a state guarantee, including a French state-guaranteed loan (€231.8 million outstanding as of September 30, 2021) and state-guaranteed loans for certain of our Spanish, Italian, Portuguese and Swiss subsidiaries (€29.2 million outstanding as of September 30, 2021). Given the high level of liquidity we reached by the end of 2020, we secured new financing of €127.9 million in the first nine months of 2021 while paying down €196.0 million of outstanding debt and paying a dividend of €22.5 million.

Year ended December 31, 2020 compared to year ended December 31, 2019

The following table presents a summary of our cash flow for the year ended December 31, 2020 as compared to the year ended December 31, 2019:

	Year ended December 31,	
	2019 (restated)	2020
	Post -IFRS 16	*Post-IFRS 16*
	(in millions of euros)	
Cash flow from operations..	461.4	597.1
Cash flow from investing activities	(1,445.3)	(229.0)
Cash flow from financing activities......................................	1,070.4	34.7
Change in cash and cash equivalents	**86.5**	**402.8**
Cash and cash equivalents at the end of the period(1)......	**229.0**	**627.8**

(1) Cash and cash equivalents at the end of the period is presented net of bank overdrafts.

Cash flow from operations

Net cash provided by operations increased by 29.4% from €461.4 million in 2019 to €597.1 million in 2020. Before changes in working capital requirements and variations in other financial debts and in accrued interest on debt, net cash provided by operations was €400.6 million in 2020 (excluding IFRS 16 impact), compared to €408.5 million in 2019, mainly due to a lower EBITDA excluding capital gains on disposals. Changes in working capital had a positive impact of €90.2 million in 2020, compared to a negative impact of €35.0 million in 2019, mainly due to the decrease of trade receivables because of lower revenue.

Cash flow from investing activities

Net cash used in investing activities decreased significantly from €1,445.3 million in 2019 to €229.0 million in 2020, due to the Ramirent Acquisition in 2019. Purchases of fixed assets in 2020 decreased from €383.1 million in 2019, of which our rental fleet accounted for €344.9 million, to €237.3 million in 2020, of which our rental fleet accounted for €191.9 million. Cash from fixed asset disposals, most of which related to our rental fleet, increased from €71.3 million in 2019 to €85.8 million in 2020. Cash used for acquisitions totaled €1,052.7 million in 2019 due primarily to the Ramirent Acquisition, whereas we did not carry out any acquisitions in 2020. €17.3 million were however cashed out in 2020 for the acquisition of minority shareholdings following the Ramirent Acquisition.

Cash flow from financing activities

Net cash provided by financing activities decreased significantly from €1,070.4 million in 2019 to €34.7 million in 2020. In 2020, we issued €355.1 million of debt, including €263.6 million of new bilateral loan with a guarantee from the State, €42.3 million of new bilateral facilities and €49.1 million of new finance leases. We bought back €26.0 million of notes, including €10.4 million of 2025 Senior Subordinated Notes and €15.6 million of April 2027 Senior Subordinated Notes. We also repaid €130.7 million of bilateral facilities, €33.0 million of commercial paper and €64.7 million of finance leases.

In 2019, we incurred €2,161.6 million of debt, including €1,900.0 million of new notes, €174.5 million of new bilateral facilities and €113.3 million of new finance leases. We repaid €1,084.9 million of debt, including €239.3 million of 2021 Senior Secured Notes and €225.0 million of 2022 Senior Subordinated Notes, €337.3 million of bilateral facilities, €165.0 million of commercial paper and €118.4 million of finance leases.

Year ended December 31, 2019 compared to year ended December 31, 2018

The following table presents a summary of our cash flow for the year ended December 31, 2019 as compared to the year ended December 31, 2018:

	Year ended December 31,		
	2018	**2019 (published)**	**2019 (published)**
	Pre-IFRS 16	***Post IFRS 16***	***Excluding IFRS 16 impact***
	(in millions of euros)		
Cash flow from operations	361.9	454.5	379.2
Cash flow from investing activities	(366.9)	(1,445.3)	(1,362.5)
Cash flow from financing activities...............................	28.5	1,077.3	1,069.8
Change in cash and cash equivalents	**23.5**	**86.5**	**86.5**
Cash and cash equivalents at the end of the period (1)	**141.4**	**229.0**	**229.0**

(1) Cash and cash equivalents at the end of the period is presented net of bank overdrafts.

Cash flow from operations

Net cash provided by operations increased by 4.8% from €361.9 million in 2018 to €379.2 million in 2019 (excluding IFRS 16 impact). Before changes in working capital requirements and variations in other financial debts and in accrued interest on debt, net cash provided by operations was €408.5 million in 2019 (excluding IFRS 16 impact), compared to €351.9 million in 2018, mainly due to higher EBITDA in 2019, partially offset by higher financial expenses. Changes in working capital had a negative impact of €35.0 million in 2019, compared to a positive impact of €8.7 million in 2018, mainly due to the significant decrease of the debt owed to fixed assets suppliers.

Cash flow from investing activities

Net cash used in investing activities increased significantly from €366.9 million in 2018 to €1,362.5 million in 2019 (excluding IFRS 16 impact), primarily due to the 2019 acquisitions. Purchases of fixed assets in 2019 decreased from €412.5 million in 2018, of which our rental fleet accounted for €373.4 million, to €383.1 million in 2019, of which our rental fleet accounted for €344.9 million. Cash from fixed asset disposals, most of which related to our rental fleet, increased from €62.8 million in 2018 to €73.2 million in 2019. Cash used for acquisitions increased significantly from €17.1 million in 2018 to €1,052.7 million in 2019, due to the UK Platforms and Ramirent acquisitions.

Cash flow from financing activities

Net cash provided by financing activities increased significantly from €28.5 million in 2018 to €1,069.8 million in 2019 (excluding IFRS 16 impact). In 2019, we issued €2,161.6 million of debt, including €1,900.0 million of new notes, €174.5 million of new bilateral facilities and €113.3 million of new finance leases. We repaid €1,084.9 million of debt, including €239.3 million of 2021 Senior Secured Notes and €225.0 million of 2022 Senior Subordinated Notes, €337.3 million of bilateral facilities, €165.0 million of commercial paper and €118.4 million of finance leases.

In 2018, we incurred €492.3 million of debt, including €325.6 million of new bilateral facilities and €166.6 million of new finance leases to finance fleet capital expenditure. We repaid €456.8 million of debt, including €60.0 million of 2021 Senior Secured Notes, €25.0 million of 2022 Senior Subordinated Notes, €279.5 million of bilateral facilities and €92.4 million of finance leases.

Capital Expenditures

Our capital expenditures consist principally of investments in fixed assets (i.e., our equipment fleet). We determine and allocate our budget for capital expenditures on an annual basis. Decisions about investment in new equipment are based in significant part on our views of future demand. During growth cycles we may decide to invest in our business by replacing aging or end-of-life equipment and by expanding the total size of the fleet, while in downturns we tend to restrict capital expenditures to the replacement of end-of-life equipment and conserve cash.

The table below shows our investments for the periods under review.

	Year ended December 31,			Nine months ended September 30,	
	2018	2019	2020	2020	2021
	in millions of euros				
Purchases of rental equipment	373.4	344.9	191.9	130.2	239.5
Purchases of non-rental equipment(1)	39.1	38.2	45.5	24.5	26.5
Gross capital expenditures	**412.5**	**383.1**	**237.3**	**154.7**	**265.9**
Proceeds from disposals of rental equipment	56.2	68.8	80.4	60.2	41.1
Proceeds from disposals of non-rental equipment	6.5	2.4	5.5	3.4	3.2
Proceeds from disposals of fixed assets	**62.8**	**71.3**	**85.9**	**63.5**	**44.3**
Net fleet capital expenditures(2)	**317.2**	**276.1**	**111.5**	**70.0**	**198.4**
Net capital expenditures(3)	**349.7**	**311.8**	**151.5**	**91.2**	**221.6**

(1) Non-rental equipment principally includes equipment used in our workshops, equipment used to outfit or maintain our branches, and information technology. It excludes the increase of right-of use of leased assets (IFRS 16).

(2) Net fleet capital expenditures is the net amount of purchases of rental equipment less proceeds from disposals of rental equipment.

(3) Net capital expenditures is gross capital expenditures less proceeds from disposals of fixed assets (excluding right-of-use of leased assets).

During the nine months ended September 30, 2021, gross capital expenditures amounted to €265.9 million, of which €239.5 million was related to fleet capital expenditures, compared to gross capital expenditures of €154.7 million during the nine months ended September 30, 2020, of which €130.2 million was related to fleet capital expenditures. In the second quarter of 2020, as we were impacted by lockdown measures due to the COVID-19 pandemic, we cut capital expenditures in order to preserve our liquidity.

During the nine months ended September 30, 2021, the gross book value of disposed rental equipment was €129.3 million, a lower amount in comparison to €203.4 million in the nine months ended September 30, 2020.

Our gross capital expenditures for 2020 amounted to €237.3 million, of which €191.9 million was related to fleet capital expenditures, compared to gross capital expenditures of €383.1 million in 2019, of which €344.9 million was related to fleet capital expenditures. On a pro forma basis including 12 months of Ramirent in 2019, fleet capital expenditures decreased by 59%. This reflects the reduction in our capital expenditures in response to the economic impact of the COVID-19 pandemic in 2020.

In 2020, the gross book value of disposed rental equipment was €280.3 million, compared to €251.9 million in 2019. On a pro forma basis including 12 months of Ramirent in 2019, we kept the gross book value of fleet disposals to nearly the same level as 2019.

Our gross capital expenditures for 2019 amounted to €383.1 million, of which €344.9 million were fleet capital expenditures compared to €412.5 million, of which to €373.4 million were fleet capital expenditures in 2018. Fleet capital expenditures at Ramirent accounted for €39.3 million for the five-month period from August 1, 2019. Fleet capital expenditures decreased by 18% on a constant perimeter basis.

In 2019, the gross book value of disposed rental equipment was €251.9 million, compared to €192.2 million in 2018. The gross book value of disposed rental equipment at Ramirent amounted to €23.9 million for the five-month period from August 1, 2019. The gross book value of disposed rental equipment increased by 19% on a constant perimeter basis as retirement of fleet increased in France.

We benefitted from a tax incentive in France which started in April 2015 and lasted until mid-April 2019. This benefit was earned on any equipment ordered before mid-April 2017 where a deposit was paid to the supplier. Equipment purchased in France satisfying the tax deductibility conditions benefitted from an additional tax deduction of 40% of the original value of the assets. During the years ended December 31, 2018 and 2019, we benefitted from a tax deduction in an amount of €9.5 million and €13.1 million, respectively.

Free Cash Flow

We define free cash flow as EBITDA less the impact of IFRS 16, net capital expenditures, other operating income and expense (excluding non-cash operating income and expense), financial income and expense (excluding non-cash financial income and expense), taxes (excluding deferred taxes), capital gains on fleet disposals and certain other income and expense and changes in working capital requirement. Free cash flow is presented before the payment of dividends to shareholders, capital increases, share buy-backs, acquisitions and high yield amortization costs. We define recurring free cash flow as free cash flow excluding certain non-recurring cash items as identified below. We present free cash flow and recurring free cash flow as additional information because we believe it is helpful to investors in highlighting trends in our business. However, other companies may present free cash flow and/or recurring free cash flow differently than we do. Neither free cash flow nor recurring free cash flow is a measure of financial performance under IFRS and should not be considered as an alternative to operating income as an indicator of our operating performance or any other measures of performance derived in accordance with IFRS.

For the nine months ended September 30, 2021, Loxam recorded a positive recurring free cash flow of €91.2 million compared to a positive recurring free cash flow of €240.6 million for the nine months ended September 30, 2020. Comparing the free cash flow generation of the first nine months of 2021 with that of the same period of 2020, we benefited on one hand from increased EBITDA as business recovered from the pandemic, but however we resumed our gross capital expenditure program, which we had stopped a year earlier, while we were faced with a negative change in working capital requirements reflecting the business recovery.

In 2020, Loxam recorded a positive recurring free cash flow of €339.3 million compared to a positive recurring free cash flow of €86.4 million in 2019. The strong free cash flow of 2020 was achieved due to the EBITDA generated in 2020, the significant reduction of capital expenditure in comparison to the previous year and a positive effect of change in working capital requirements.

In 2020, there were no non-recurring cash items as payments shifted in in the first half of the year were subsequently paid in the second half of the year.

In 2019, Loxam recorded a positive recurring free cash flow of €86.4 million compared to a positive recurring free cash flow of €2.4 million in 2018. A higher EBITDA before capital gains on fleet disposals and lower gross capital expenditure helped to improve the free cash flow performance.

In 2019, non-recurring cash items amounted to an outflow of €24.8 million and are related to bridge commitment fees for €16.5 million, fees incurred with our April 2019 refinancing of €10.8 million, acquisition costs of €12.9 million, offset by a decrease of the deposit paid to fixed assets suppliers of €15.4 million.

In 2018, we recorded a positive recurring free cash flow of €2.4 million compared to a negative recurring free cash flow of €50.6 million in 2017. A higher EBITDA before capital gains on fleet disposals, lower gross capital expenditure and lower cash taxes helped to improve our free cash flow performance.

In 2018, non-recurring cash items amounted to €8.5 million and related to the decrease of the deposit paid to fixed assets suppliers (€11.3 million), to the UK Platforms acquisition costs (€1.7 million) and to the fees incurred for the repayment of €85 million of notes (€1.6 million).

The following tables present a reconciliation of free cash flow to EBITDA for the periods indicated on a recurring and non-recurring basis.

	Nine months ended September 30, 2021		
	Total	Non-recurring items [4]	Recurring items
		in millions of euros	
EBITDA	**575.3**	**—**	**575.3**
Rents IFRS 16 impact	(83.8)	—	(83.8)
EBITDA pre-IFRS 16	**491.5**	**—**	**491.5**
Capital gains on fleet disposal of fixed assets and other items	(32.8)	—	(32.8)
Proceeds from disposal of fixed assets	44.3	—	44.3
Gross capital expenditure	(265.9)	—	(265.9)
Financial income and expense[1]	(108.6)	—	(108.6)
Income taxes[2]	(14.4)	—	(14.4)
Change in working capital requirements[3]	(22.8)	—	(22.8)
Free cash flow[5]	**91.2**	**—**	**91.2**
Acquisition[6]	(34.7)		
Share capital decrease[7]	—		
Dividends[8]	(22.5)		
Issue costs, amortization and currency variations	(9.4)		
Change in IFRS 16 lease liability	1.5		
Change in net debt[9]	**26.2**		

	Nine months ended September 30, 2020 (restated)		
	Total	Non-recurring items [4]	Recurring items
		in millions of euros	
EBITDA	**537.3**	**—**	**537.3**
Rents IFRS 16 impact	(85.6)	—	(85.6)
EBITDA pre-IFRS 16	**451.7**	**—**	**451.7**
Capital gains on fleet disposal of fixed assets and other items	(46.0)	—	(46.0)
Proceeds from disposal of fixed assets	63.5	—	63.5
Gross capital expenditure	(154.7)	—	(154.7)
Financial income and expense[1]	(104.7)	—	(104.7)
Income taxes[2]	(13.4)	—	(13.4)
Change in working capital requirements[3]	55.0	10.9	44.2
Free cash flow[5]	**251.5**	**10.9**	**240.6**
Acquisition[6]	—		
Share capital decrease[7]	—		
Dividends[8]	—		
Issue costs, amortization and currency variations	(3.4)		
Change in IFRS 16 lease liability	33.9		
Change in net debt[9]	**282.1**		

	Year ended December 31, 2020		
	Total	Non-recurring items [4]	Recurring items
		in millions of euros	
EBITDA	**727.9**	—	**727.9**
Rents IFRS 16 impact	(116.9)	—	(116.9)
EBITDA pre-IFRS 16	**611.0**	—	**611.0**
Capital gains on fleet disposal of fixed assets and other items	(60.6)	—	(60.6)
Proceeds from disposal of fixed assets	85.8	—	85.8
Gross capital expenditure	(237.3)	—	(237.3)
Financial income and expense[1]	(139.4)	—	(139.4)
Income taxes[2]	(10.4)	—	(10.4)
Change in working capital requirements[3]	90.2	—	90.2
Free cash flow[5]	**339.3**	—	**339.3**
Acquisition[6]	—		
Share capital decrease[7]	(19.6)		
Dividends[8]	(0.6)		
Issue costs, amortization and currency variations	(9.1)		
Change in IFRS 16 lease liability	44.2		
Change in net debt[9]	**354.2**		

	Year ended December 31, 2019 (restated)		
	Total	Non-recurring items [4]	Recurring items
		in millions of euros	
EBITDA	**701.7**	—	**701.7**
Rents IFRS 16 impact	(92.7)	—	(92.7)
EBITDA pre-IFRS 16	**609.0**	—	**609.0**
Capital gains on fleet disposal of fixed assets and other items	(60.1)	(12.9)	(47.2)
Proceeds from disposal of fixed assets	71.3	—	71.3
Gross capital expenditure	(383.1)	—	(383.1)
Financial income and expense[1]	(135.7)	(27.3)	(108.4)
Income taxes[2]	(4.7)	—	(4.7)
Change in working capital requirements[3]	(35.0)	15.4	(50.4)
Free cash flow[5]	**61.6**	**(24.8)**	**86.4**
Acquisition[6]	(1,579.6)		
Share capital decrease[7]	—		
Dividends[8]	(6.9)		
Issue costs, amortization and currency variations	(14.2)		
Change in IFRS 16 lease liability	(364.5)		
Change in net debt[9]	**(1,903.6)**		

	Year ended December 31, 2018		
	Total	**Non-recurring items [(4)]**	**Recurring items**
		in millions of euros	
EBITDA	**500.7**	**—**	**500.7**
Rents IFRS 16 impact	—	—	—
EBITDA pre-IFRS 16	**500.7**	**—**	**500.7**
Capital gains on fleet disposal of fixed assets and other items	(44.4)	(1.7)	(42.7)
Proceeds from disposal of fixed assets	62.8	—	62.8
Gross capital expenditure	(412.5)	—	(412.5)
Financial income and expense(1)	(95.5)	(1.6)	(93.9)
Income taxes(2)	(8.9)	0.5	(9.4)
Change in working capital requirements(3)	8.7	11.3	(2.5)
Free cash flow(5)	**10.8**	**8.5**	**2.4**
Acquisition(6)	(17.1)		
Share capital decrease(7)	—		
Dividends(8)	(6.9)		
Issue costs, amortization and currency variations	(1.4)		
Change in IFRS 16 lease liability	—		
Change in net debt(9)	**(14.6)**		

(1) Corresponds to financial income and expense immediately payable (i.e., excluding non-cash items)

(2) Corresponds to taxes immediately payable (i.e., excluding deferred taxes).

(3) Excludes change in accrued interest on loans and change in other financial debt, which together totaled a net decrease of €0.1 million during the nine months ended September 30, 2021, a net decrease of €2.7 million during the nine months ended September 30, 2020, a net decrease of €0.4 million in 2020, a net decrease of €5.8 million in 2019 and a net decrease of €1.3 million in 2018.

(4) During the nine months ended September 30, 2020, non-recurring cash items amounted to €10.9 million and are related to payment deferral offered by public authorities or agreed with suppliers. We did not record any non-recurring items on a full-year basis in 2020 because deferred cash payments in the first half of 2020 were paid in the second half of 2020. In 2019, non-recurring cash items amounted to an outflow of €24.8 million and are related to bridge commitment fees for €16.5 million, fees incurred with our April 2019 refinancing of €10.8 million, acquisition costs of €12.9 million, offset by a decrease of the deposit paid to fixed assets suppliers of €15.4 million. Non-recurring items in 2018 included: €11.3 million of deposit payments on future capital expenditures, €1.7 million of UK Platforms acquisition costs and €1.6 million of notes redemption premiums, less income tax.

(5) Before payment of dividends, capital increases and acquisitions.

(6) Corresponds to payments made in connection with: (i) the UK Platforms acquisition for the years ended December 31, 2018 and 2019, (ii) the Ramirent Acquisition for the year ended December 31, 2019 and (iii) the acquisitions of JM Trykluft and Maskinslussen in for the nine months ended September 30, 2021.

(7) For the year ended December 31, 2020, corresponds to a share capital reduction of €19.6 million after a share buy back from a minority shareholder.

(8) In 2020, Loxam SAS did not pay dividends to its shareholders, but €0.6 million was paid by Hune SICO to the local partner in Saudi Arabia.

(9) Excluding change in derivatives instruments.

Net Debt

We define net debt as gross debt less cash and cash equivalents (cash plus marketable investment securities). Net debt is presented as additional information because we believe that netting cash against debt may be helpful to investors in understanding our financial liability exposure. However, other companies may present net debt differently than we do. Net financial debt is not a measure of financial performance under IFRS and should not be considered as an alternative to any other measures of performance derived in accordance with IFRS.

The following table presents a reconciliation of net debt to amounts included in the consolidated balance sheet as of the dates indicated.

	As of December 31,			As of September 30,
	2018	2019 (restated)	2020	2021
	Pre-IFRS 16		*Post-IFRS 16*	
		(in millions of euros)		
Senior Secured Notes	1,089.3	2,300.0	2,300.0	2,300.0
Senior Subordinated Notes	475.0	700.0	674.0	674.0
Issuance costs related to notes	(12.1)	(30.1)	(21.0)	(15.0)
Bank loans on bilateral credit facilities	409.1	486.2	391.3	348.1
State-guaranteed loans	—	—	264.0	261.0
Commercial paper	—	115.0	82.0	94.0
Accrued interest on debt securities and loans	18.2	25.9	26.9	28.3
Lease debt	293.3	288.5	271.6	243.8
Lease debt liability (IFRS 16)	—	364.5	320.3	318.8
Other financial debt	4.4	23.1	3.8	4.8
Bank overdrafts	2.4	1.1	0.1	3.0
Gross debt	**2,279.5**	**4,274.2**	**4,313.0**	**4,260.8**
Loan granted to Ramirent JV (1)	**—**	**(4.8)**	**—**	**—**
Cash	(143.4)	(127.8)	(524.2)	(498.8)
Marketable investment securities	(0.4)	(102.3)	(103.8)	(103.1)
Cash and cash equivalents	**(143.8)**	**(230.1)**	**(627.9)**	**(601.9)**
Net debt	**2,135.7**	**4,039.3**	**3,685.1**	**3,658.9**

(1) The loan granted to Ramirent JV was initially classified in net debt in 2019. It was subsequently reclassified in financial assets.

Net debt decreased by €26.2 million to €3,658.9 million as of September 30, 2021 from €3,685.1 million as of December 31, 2020, primarily as a result of positive free cash flow of €91.2 million, offset by the impact of the cash outflow associated with the JM Trykluft and Maskinslussen acquisitions (€34.7 million) and a dividend paid of €22.5 million.

Net debt decreased by €354.2 million in 2020, from €4,039.3 million as of December 31, 2019 to €3,685.1 million as of December 31, 2020, primarily as a result of positive free cash flow of €339.3 million.

Net debt (excluding IFRS 16 operating lease liabilities) increased by €1,903.6 million in 2019, from €2,135.7 million as of December 31, 2018 to €4,039.3 million as of December 31, 2019, primarily as a result of positive free cash flow of €61.6 million, a €1,579.6 million effect of change in scope of consolidation related to the UK Platforms and Ramirent acquisitions, dividends paid for €6.9 million and the impact of the first application of the IFRS 16 standard as from January 1, 2019, resulting in an increase of €364.5 million in lease liabilities.

Liquidity And Capital Resources

We use cash to pay for working capital requirements, taxes, interest payments, capital expenditures and acquisitions and to service our indebtedness in accordance with repayment schedules.

Our sources of financing consist mainly of the following:

- cash generated from our operating activities;
- borrowings under our syndicated credit facilities (including the Revolving Credit Facility), and bilateral credit facilities and finance leases; and
- net proceeds from our outstanding debt securities and any other debt securities that we may issue in the future.

Debt Maturity Profile

The table below provides the maturity profile of our outstanding indebtedness, as of September 30, 2021, as adjusted for the Transactions.

(in millions of euros)	**Total**	**2021**	**2022**	**2023**	**2024**	**2025**	**2026**	**2027**	**2028 and later**
RCF	—	—	—	—	—	—	—	—	—
State-guaranteed loans [(1)]	261.0	24.7	53.6	54.1	54.8	50.0	23.8	—	—
Bilateral loans	348.1	42.7	69.0	164.0	38.5	21.3	12.3	—	0.2
Commercial paper	94.0	73.0	21.0	—	—	—	—	—	—
Lease liabilities	243.8	27.2	88.2	66.5	35.1	18.8	7.8	0.2	—
Loans and financial debt owed to credit institutions	**946.9**	**167.6**	**231.8**	**284.7**	**128.4**	**90.1**	**43.9**	**0.3**	**0.2**
Other financial debt	4.8	2.6	—	2.2	—	—	—	—	—
2024 Senior Secured Notes	299.4	—	—	—	299.4	—	—	—	—
2025 Senior Subordinated Notes	119.0	—	—	—	—	119.0	—	—	—
April 2026 Senior Secured Notes	298.7	—	—	—	—	—	298.7	—	—
April 2027 Senior Subordinated Notes	190.2	—	—	—	—	—	—	190.2	—
2025 Senior Secured Notes	695.8	—	—	—	—	695.8	—	—	—
July 2026 Senior Secured Notes	445.9	—	—	—	—	—	445.9	—	—
July 2027 Senior Subordinated Notes	240.7	—	—	—	—	—	—	240.7	—
Notes offered hereby	346.6	—	—	—	—	—	—	346.6	—
Total debt [(2)]	**3,588.0**	**170.2**	**231.8**	**286.9**	**427.8**	**904.9**	**788.5**	**777.8**	**0.2**

(1) Includes French state-guaranteed loans borrowed by the Issuer of which €231.8 million was outstanding as of September 30, 2021, Spanish state-guaranteed loans borrowed by Hune Rental S.L.U. of which €22.7 million was outstanding as of September 30, 2021, Italian state-guaranteed loans borrowed by Loxam Access SRL of which €5.2 million was outstanding as of September 30, 2021, Portuguese state-guaranteed loans borrowed by Hune Aluguer of which €0.9 million was outstanding as of September 30, 2021 and a Swiss state-guaranteed loan borrowed by Loxam Suisse of which €0.5 million was outstanding as of September 30, 2021.

(2) Total debt figures exclude accrued interest, bank overdrafts and lease liabilities under IFRS 16 and are presented net of issuance costs.

Off-Balance Sheet Commitments

We are a party to various customary off-balance sheet arrangements, including guarantees given to financial institutions for payment of real estate rentals, guarantees on our subsidiaries' borrowings and security granted in connection with the Existing Senior Secured Notes. See note 24 to our IFRS consolidated financial statements for the years ended December 31, 2018, 2019 and 2020 and note 23 to our IFRS consolidated financial statements for the nine months ended September 30, 2021, an English translation of which is included elsewhere in this listing prospectus.

Currency And Interest Rate Derivatives

We are exposed to market risks arising from fluctuations in interest rates and exchange rates in the ordinary course of our business. To manage these risks effectively, we enter into hedging transactions and use derivative financial instruments to mitigate the adverse effects of these risks. We do not enter into financial instruments for trading or speculative purposes.

We were party to interest rate swaps with an aggregate notional amount of €212.0 million as of September 30, 2021 for a maximum term in February 2024. These derivatives are recognized in financial liabilities for an amount of €1.5 million as of September 30, 2021, of which Ramirent accounts for €1.3 million (for a notional amount of €105.0 million). As of September 30, 2021, 94% of our financial debt had a fixed interest rate.

The majority of our revenue (66% for the nine months ended September 30, 2021), expenses and obligations are denominated in euros. However, we are exposed to foreign exchange rate risk, primarily in respect of British pounds. Our foreign exchange rate derivative financial instruments as of September 30, 2021 covered current liabilities denominated in British pounds for GBP 33.6 million, in Norwegian krone for NOK 365.0 million and in Swedish krona for SEK 65.0 million.

Accounting Principles

Loxam adopted International Financial Reporting Standards "IFRS" as adopted by the European Union as the accounting standard for its financial statements for the year ended December 31, 2015. Loxam's statutory auditors have audited the financial accounts for the years ended December 31, 2018, 2019 and 2020 prepared under IFRS as adopted by the European Union.

Loxam has prepared its consolidated financial statements in accordance with IAS 34 – standard of the IFRSs as adopted by the European Union applicable to interim financial reporting as of September 30, 2021 with comparative information presented for 2020. The unaudited condensed consolidated interim financial statements as of and for the nine months ended September 30, 2021 have been reviewed by our statutory auditors.

These standards include International Financial Reporting Standards (IFRS) and International Accounting Standards (IAS), as well as the interpretations of the Standing Interpretations Committee (SIC) and the International Financial Reporting Standards Interpretations Committee (IFRS IC).

Critical Accounting Policies And Estimates

IFRS requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. These estimates and assumptions are based on the information available at the time of preparation of the financial statements and affect the published amounts. Actual results may differ from these estimates.

We consider the following policies and estimates to be the most critical in understanding the assumptions and judgments that are involved in preparing our financial statements and the uncertainties that could affect our financial results, financial condition and cash flows. They are continuously assessed based on past experience and various other factors that are considered to be reasonable, which form the basis for assessments of the book value of assets and liabilities. Estimates may be revised if the circumstances on which they were based change or new information becomes available. Actual results may differ significantly from these estimates depending on different conditions or assumptions. A more detailed description of the accounting rules and methods that we apply is provided in the note "Accounting Principles" to our consolidated financial statements.

Goodwill

Goodwill represents the fair value of the consideration transferred (including the fair value of any interest previously held in the company acquired), plus the amount recognized for any non-controlling interest in the company acquired, less the net amount recognized (generally at fair value) for the identifiable assets and liabilities assumed. When the difference is negative, this is badwill, representing a profit resulting from acquisitions under preferential conditions. Badwill is recognized immediately in profit or loss. Corrections or adjustments may be made to the fair value of the assets and liabilities assumed and the consideration transferred within 12 months of the acquisition. As a result, the goodwill may be corrected. Goodwill is not amortized. In accordance with IAS 36 Impairment of Assets, it is tested once a year and whenever indications of impairments arise. When the recoverable value is lower than the net book value of the asset or the cash generating unit, an impairment is recognized in profit or loss. Impairments recorded for goodwill are irreversible.

Property, plant and equipment

Property, plant and equipment are recognized at their acquisition cost, after deducting accumulated depreciation and impairment charges. They are not premeasured. The cost includes the expenditure directly attributable to the asset's acquisition. Depreciation charges for property, plant and equipment are calculated on a straight-line basis and with the following useful lives: buildings (10 to 50 years), building fixtures and fittings (5 to 20 years), tools (3 to 5 years), fleet equipment (3 to 15 years) and other property, plant and equipment (2 to 5 years). A residual value of 10% was introduced starting in 2016 on certain types of fleet equipment in order to take into account the resale value of this equipment at the end of its useful life. Land is not depreciated. Property, plant and equipment are depreciated from the moment when they are brought into service.

Other intangible assets

Other intangible assets have a finite useful life and are recorded at their acquisition cost, after deducting accumulated amortization and impairment charges. The amortization of intangible assets is recorded as an expense on a straight-line basis over the estimated useful life from the moment when assets are brought into service. These other intangible assets are primarily software products, amortized over one to three years.

Fair value of assets and liabilities

Financial assets and liabilities - including derivatives - measured at fair value are broken down into three levels (1 to 3), each corresponding to a level of fair value observability based on data used in the fair value measurement technique:

- Level 1: fair value determined based on quoted prices in active markets for identical assets or liabilities;

- Level 2: fair value estimated based on observable data for the asset or liability concerned, either directly (i.e. prices) or indirectly (i.e. pricing-derived data);

- Level 3: fair value estimated using valuation techniques that include data relating to the asset or liability that are not based on observable market data.

Leases

The group began applying IFRS 16 on January 1, 2019 based on the modified retrospective method. IFRS 16 removes the distinction previously made between simple leases and finance leases for the lessee. According to IFRS 16, a lessee employs a right-of-use asset and a financial debt representing the rental obligation. Leases previously classified as finance leases under IAS 17 have not been restated.

For these leases, the accounting values of the "right-of-use" asset and the financial debt as at January 1, 2019 were determined as those of the underlying leased assets and of the lease liabilities that had been calculated based on IAS 17 just before January 1, 2019.

The lease contracts restated in accordance with IFRS 16 mainly concern real estate assets and, to a lesser extent, heavy vehicles and light transportation vehicles.

As a result of the implementation of IFRS 16 as of January 1, 2019, rental expenses for eligible contracts (in "other current expenses") have been replaced by amortization expenses of the right-of-use assets and by financial expenses (related to the IFRS 16 related-financial debt).

Provision for contingencies and charges

In accordance with IAS 37 Provisions, Contingent Liabilities and Contingent Assets, a provision is recorded when, on the reporting date, Loxam has an obligation (legal or implied), it is probable that an outflow of resources representing economic benefits will be required to extinguish this obligation, and the amount of the obligation can be estimated reliably. These provisions are estimated taking into account the most probable assumptions on the reporting date.

Employee benefits

Under IAS 19 (revised), all current and future benefits or compensation acquired by employees in return for services rendered during the current period and prior periods must be recognized as an expense over the period when rights are vested. In accordance with the laws and practices in each country where it operates, the Group is part of various plans for retirement and post-employment benefits.

Defined contribution plans

For defined contribution plans, we have no obligations other than the payment of contributions. The contributions paid in to plans are recognized as expenses for the period. Where applicable, provisions are recorded for contributions not made during the period.

Defined benefits plans

Retirement and related benefits under defined benefit plans are subject to provisions based on an actuarial calculation carried out at least once a year in accordance with IAS 19 (revised).

To assess retirement benefits, the projected unit credit method is applied: each period of service gives rise to an additional unit of benefit entitlements, and each unit is valued separately to determine the obligation in relation to employees.

The calculations consider the specific features of the various plans, as well as the assumptions for retirement dates, career development and wage increases, and the probability of employees still being employed by us when they reach retirement age (staff turnover, mortality tables, etc.). The present value of the obligation is determined based on the interest rates for long-term bonds from top-tier issuers.

An employee benefit liability is recorded for the obligation net of any plan assets measured at fair value.

The net expenses for retirement and related benefits are recognized in operating profit for the period in relation to the cost of services provided during the period. The net financial cost is recognized in financial income and expenses.

Under IAS 19R, the actuarial gains or losses generated by changes in assumptions on the net defined benefit liability or differences between interest income and the actual returns on plan financial assets are recognized immediately in other comprehensive income and cannot be recycled to profit or loss.

Other long-term benefits

Certain other long-term benefits are also subject to provisions, which are determined with a similar actuarial calculation to that applied for defined benefit plans.

These benefits primarily concern jubilee awards. Remeasurements of the obligation are recognized in profit or loss.

Borrowings and financial debt

Interest-bearing liabilities are initially measured at their fair value, less any directly attributable transaction costs. Subsequently, borrowings and financial debt are measured at their amortized cost using the effective interest rate method.

Derivative financial instruments – relating to interest rate risk

The Group holds interest rate swaps to reduce its net interest rate risk exposure.

These derivative financial instruments are initially recognized at their fair value, which is estimated based on observable data for the instrument. Since the hedging relationship is not documented, changes in fair value are recognized in profit or loss.

The swaps that were eligible for hedge accounting on the transition date have been recognized in other comprehensive income on the opening balance sheet. This reserve is amortized over the term of the swap agreements. With the refinancing in July 2014, virtually all the variable-rate loans held by Loxam SAS were repaid and fixed-rate bonds were subscribed to. Since July 2014, the swaps retained are no longer effective. As a result, the remaining reserve was fully recycled to profit or loss when the underlying loans disappeared.

Derivative financial instruments – relating to the foreign exchange risk

On an ad hoc basis, and consistent with our market forecasts, we use financial instruments to reduce our net foreign exchange risk exposure. We primarily use forward currency sales options.

As these instruments concern intra-group receivables, which are eliminated in the consolidated financial statements, we have not opted to apply hedge accounting. These foreign exchange derivative instruments are recognized at fair value on the balance sheet. Fair value adjustments are recognized in profit or loss.

INDUSTRY

Industry Overview

Equipment rental companies provide customers with lines of equipment, including larger equipment such as aerial work platforms, excavators, earthmoving equipment and forklift trucks, as well as smaller equipment such as power saws, jackhammers, scaffolding and small pumps. Rental companies also provide a large range of services associated with the equipment for rent such as maintenance, in-service inspection, repair, transportation, storage, compliance with health and safety regulations, insurance and training on the proper use of the equipment.

The primary customers for equipment rental companies include construction contractors, craftsmen, industrial companies, utilities, maintenance operators, government entities, events and media companies, and homeowners. We address such customers in 30 countries, the majority of which are in Europe. The dynamics of the customer and geographic end markets we serve vary widely.

Equipment Rental Business Model

The long-term growth prospects for the equipment rental industry continue to be favorable, driven by the structural shift towards equipment rental instead of each customer owning its own fleet. The rental concept has gained attractiveness in a macroeconomic context in which even financially healthy companies find equipment rental to be a prudent investment policy. The equipment rental business is also attractive to customers as it allows them to meet their CSR targets in terms of compliance with regulations, safety and reduction of their carbon footprint. Other companies may also lack the financial resources or credit for large fleet investments and have to rely on the rental channel.

Equipment rental companies' customers increasingly recognize the advantages of equipment rental over ownership, which include but are not limited to:

- Rental of equipment is part of the larger developing circular economy, where an equipment is rented by many customers over its life cycle while the rental company keeps control over its good functioning order through a program of maintenance and regular inspections;

- Equipment rental helps customers to fulfill their duties towards their objectives in terms of quality, safety and the environment;

- Rental of equipment reduces the amount of capital required in comparison to purchasing equipment and allows companies to preserve their capital for other investments;

- Rental of equipment allows customers to exchange fixed costs for variable costs on an as-needed basis so that rental costs are only incurred when there is a predictable source of revenue; in contrast, ownership costs are fixed and include a number of ongoing costs in addition to the cost of initial purchase, such as insurance, maintenance, in-service inspection, repair, transportation and storage and depreciation costs; these costs tend to increase over the life of the machine, and are only marginally related to its actual use;

- Rental of equipment minimizes costs related to idle equipment during project downtimes and provides flexibility to deal with unexpected events such as equipment failure or changes in planning;

- Rental of equipment can be used to supplement owned equipment, thereby increasing the range and number of tasks that can be performed and allowing customers to take advantage of opportunities without undermining the financial strength of their business;

- Rental of equipment transfers the residual value risk and the management of the equipment at the end of its useful life to the rental equipment provider;

- Rental of equipment allows customers to select the most appropriate piece of equipment for the task at hand, which can improve safety, efficiency and quality of work, especially since the safety of the equipment is typically verified by the rental companies prior to any new contract; and

- Rental of equipment from companies with a large network of branches such as Loxam enables customers to optimize their logistics flows to and from their worksites.

Our Principal Customer End Markets

We primarily serve construction, industrial and specialist customers, from small businesses and craftsmen to large international groups as well as public administration. The construction end markets represent the largest portion of our business and accounted for approximately 59% of our revenue for the twelve months ended June 30, 2021. We have also developed a strong offering for the rental services segment through addressing the needs of both construction and non-construction end users (such as local authorities and companies managing events) requiring services such as risk protection, business support, planning, logistics and onsite support, training and merchandise sales in addition to equipment rentals. Although the different industries and customer sectors we address are exposed to cyclical fluctuations, our diversified geographic and end-market exposure allows us to benefit from different growth patterns.

European Construction Market

The equipment rental industry is dependent on the construction market and on general economic conditions. Growth in the equipment rental industry typically anticipates and outpaces growth in the construction market and responds more quickly to positive or negative changes.

The construction market consists of different subsectors: new residential and non-residential, renovation and maintenance and civil engineering, which includes transportation infrastructure and telecommunications as well as energy and water works. While the construction market as a whole is cyclical, individual end markets have different growth patterns and do not follow similar trends simultaneously. For example, the renovation and maintenance end market has less cyclical dynamics as customers tend to reduce new projects in favor of renovation and maintenance work during an economic downturn. In addition, the intensity of construction activity can vary significantly between different regional and local markets providing further balance to demand for rental equipment.

In 2020, a majority of the largest 15 construction markets in Europe surveyed by Euroconstruct contracted as a consequence of the COVID-19 crisis. France, the United Kingdom and Spain were each significantly impacted, with an estimated decrease in market size of 12.7%, 11.9% and 9.3%, respectively. Each of these markets are expected to register a rebound in 2021, with growth rates of 6.7%, 13.4% and 6.5%, respectively. The Nordic construction markets were less affected by the sanitary crisis in 2020, with the Swedish market growing by 2.7%, Norway decreasing by 0.6%, Finland growing by 1.0% and Denmark growing by 10.3%.

The table below presents the estimated total construction output in billions of euros covering the largest 15 construction markets in Europe, together with the historical and forecast growth rates of the total construction output for each of the years in the period from 2018 to 2022, in each case based on information from the 92nd Euroconstruct country report dated November 2021.

Construction Market		
Country	**Market size (€ billions)**	**Market growth**
Germany 	€396.6	2018: +2.0% 2019: +1.6% 2020: 0.0% 2021: -0.7% 2022: +1.1% 2023: +0.2%
France 	€198.8	2018: +3.1% 2019: +2.2% 2020: -12.7% 2021: +6.7% 2022: +3.8% 2023: +1.7%
United Kingdom 	€197.7	2018: +0.1% 2019: +2.6% 2020: -11.9% 2021: +13.4% 2022: +5.9% 2023: +3.2%

Construction Market		
Country	**Market size (€ billions)**	**Market growth**
Italy	€171.4	2018: +1.9% 2019: +3.6% 2020: -4.9% 2021: +15.1% 2022: +5.6% 2023: -0.5%
Spain	€116.9	2018: +6.4% 2019: +4.6% 2020: -9.3% 2021: +6.5% 2022: +8.0% 2023: +4.5%
The Netherlands	€89.3	2018: +7.4% 2019: +4.9% 2020: -1.7% 2021: +0.8% 2022: +4.9% 2023: +3.6%
Switzerland	€63.3	2018: +0.9% 2019: -0.2% 2020: -0.3% 2021: +1.5% 2022: +0.7% 2023: +0.4%
Poland	€54.9	2018: +14.4% 2019: +4.9% 2020: -2.0% 2021: +3.0% 2022: +4.1% 2023: +3.8%
Sweden	€51.1	2018: +1.5% 2019: -0.2% 2020: +2.7% 2021: +8.3% 2022: -1.1% 2023: -1.3%
Belgium	€45.7	2018: +3.1% 2019: +1.1% 2020: -4.9% 2021: +10.3% 2022: +3.6% 2023: +0.3%
Norway	€45.2	2018: -1.8% 2019: +1.7% 2020: -0.6% 2021: +6.2% 2022: +2.5% 2023: -0.5%
Austria	€45.0	2018: +5.6% 2019: +4.0 2020: -3.7% 2021: +5.4% 2022: +2.6% 2023: +1.9%

Construction Market		
Country	**Market size (€ billions)**	**Market growth**
Denmark	€40.9	2018: +1.5% 2019: +3.8% 2020: +10.3% 2021: +5.1% 2022: +2.1% 2023: +1.7%
Finland	€36.5	2018: +1.7% 2019: -1.8% 2020: +1.0% 2021: +3.5% 2022: +2.0% 2023: -3.5%
Ireland	€24.0	2018: +10.2% 2019: +5.8% 2020: -4.4% 2021: +2.7% 2022: +8.4% 2023: +9.0%

Our Primary Geographic Markets

We operate equipment rental branches in 30 countries, the majority of which are in Europe. Descriptions of our primary markets, including their size and growth prospects, are provided below.

European Equipment Rental Market Size and Trends

Based on data provided in the ERA Market Report 2021, the total size of the European equipment rental market (defined as total rental turnover, including rental-related revenue, merchandise and sale of used equipment) was estimated at €25.2 billion in 2020 in the European Union, the United Kingdom and the countries of the European Free Trade Association, taken together. The largest equipment rental markets in Europe in 2019, 2020 and 2021 were the United Kingdom (€6.5 billion in 2019, €5.3 billion in 2020 and €5.9 billion in 2021), Germany (€5.2 billion in 2019, €5.3 billion in 2020 and €5.9 billion in 2021) and France (€4.1 billion in 2019, €3.6 billion in 2020 and €4.0 billion in 2021).

The ERA estimates that the top 16 markets in the European rental market contracted by 7.2% in 2020, returned to growth of 6.3% in 2021 and will grow by 5.6% and 5.7% in 2022 and 2023, respectively and in each case at constant exchange rates. Despite the contraction in the market caused by the economic slowdown in response to the COVID-19 pandemic, construction rental penetration is expected to increase further throughout Europe as users recognize the advantages of equipment rental. The rental penetration rate tends to differ widely from country to country, and is influenced by, among other factors, the existence and quality of equipment rental companies in the local market, national economic conditions, attractiveness of financing and tax environments, weather patterns and cultural attitudes towards equipment rental.

The table below presents the estimated turnover and construction rental penetration rate for 2021, as well as estimated and forecast market growth rates for each of the years in the period from 2019 to 2023 for 16 European markets covered by the ERA. Construction rental penetration rate is defined by the share of total rental market divided by the total construction market.

Equipment Rental Market			
Market	**Rental turnover (2021) (€ millions)**	**Market growth**	**Construction rental penetration (2021)**
United Kingdom	5,900	2019: +1.5% 2020: -17.4% 2021: +8.5% 2022: +6.0% 2023: +7.4%	1.7%
Germany	5,535	2019: +4.8% 2020: +2.0% 2021: +3.8% 2022: +7.0% 2023: +5.6%	1.4%
France	4,005	2019: +5.7% 2020: -12.4% 2021: +11.6% 2022: +5.2% 2023: +4.2%	1.4%
Sweden	1,885	2019: +3.0% 2020: -0.2% 2021: +2.5% 2022: +2.9% 2023: +3.5%	3.5%
Italy	1,625	2019: +4.7% 2020: -9.7% 2021: +8.7% 2022: +8.3% 2023: +6.0%	0.8%
Spain	1,390	2019: +6.2% 2020: -14.0% 2021: +4.9% 2022: +7.2% 2023: +5.7%	1.0%
The Netherlands	1,225	2019: +6.3% 2020: 0.0% 2021: +2.9% 2022: +2.9% 2023: +3.6%	1.0%
Norway	850	2019: +4.5% 2020: -2.2% 2021: +2.0% 2022: +4.2% 2023: +4.7%	1.4%
Poland	785	2019: +8.5% 2020: -4.0% 2021: +5.3% 2022: +5.1% 2023: +7.2%	0.8%
Belgium	695	2019: +2.8% 2020: -8.8% 2021: +3.7% 2022: +3.6% 2023: +4.9%	0.9%
Finland	680	2019: +3.8% 2020: -2.2% 2021: +2.3% 2022: +3.7% 2023: +6.4%	1.6%

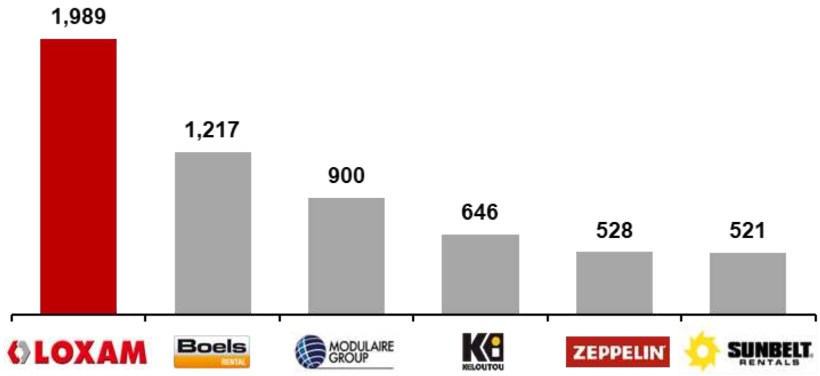
Equipment Rental Market			
Market	**Rental turnover (2021) (€ millions)**	**Market growth**	**Construction rental penetration (2021)**
Denmark	620	2019: +2.8% 2020: +0.7% 2021: +4.1% 2022: +4.2% 2023: +3.1%	1.4%
Austria	460	2019: +8.1% 2020: -6.5% 2021: +5.7% 2022: +5.4% 2023: +6.2%	0.8%
Switzerland	400	2019: +4.7% 2020: -4.5% 2021: +2.4% 2022: +3.4% 2023: +1.1%	0.5%
Baltics	315	2019: +1.7% 2020: -1.7% 2021: +8.6% 2022: +6.3% 2023: +7.5%	2.1%
Czech Republic	205	2019: +7.8% 2020: -6.8% 2021: +3.6% 2022: +5.7% 2023: +10.1%	0.5%

European Competitive Landscape

The European equipment rental industry is very fragmented and consists of a large number of small companies serving discrete local or regional markets and a small number of medium-sized and large companies serving regional, national or international customer bases. Specialty equipment rental companies against which we also compete can have large regional, national or international market shares in their respective specialty ranges of equipment. The industry is continuing to consolidate, and large, well-financed companies such as our Group are in a position to invest as needed to take advantage of the future growth in the rental market and of opportunities for market consolidation.

Although the rental industry is fragmented on a European market level, with Loxam being one of only a few companies with a strong pan-European platform, the industry is characterized by sizeable market shares for incumbent national operators.

The chart below shows our leadership position based on our revenue for the year ended December 31, 2020, among European equipment rental providers, in millions of euros, based on a ranking published in June 2021 by International Rental News.



Competition in the equipment rental market tends to be based primarily on geographic proximity and equipment availability, as well as equipment quality, price, quality of sales relationships, delivery times, quality of service and, for our largest clients, possession of relevant health and safety certifications.

The equipment rental market is characterized by substantial capital requirements, a substantial number of competitors, and the advantages from having existing relationships with key suppliers and customers. The geographic coverage, network flexibility, strength of brand, and economies of scale of existing key players further contribute to these challenges for potential market entrants.

Global Competitive Landscape

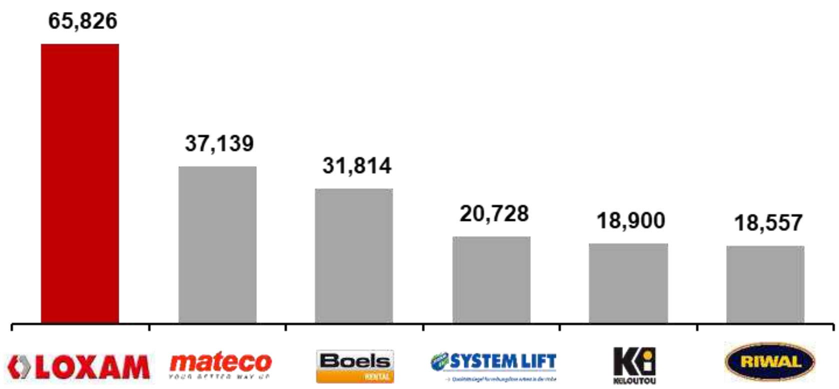
Based on a ranking published by International Rental News in June 2021, we were the fourth-largest equipment rental company in the world in terms of 2020 revenue, behind United Rentals, Ashtead Group and Aktio Corp.

European Powered Access Equipment Rental Market

The powered access equipment or mobile elevating work platforms ("MEWPs") market consists of booms, scissor lifts and vertical masts, including both articulated and straight telescopic booms, and can be self-propelled, pushed around, towed or vehicle-mounted. Powered access equipment accounts for a substantial portion of the equipment rental industry, in particular because most such equipment is more specialized and expensive, therefore making rental rather than ownership more cost-effective for end users. The powered access market tends to be less cyclical than the overall equipment rental market.

Thanks to our acquisitions of Lavendon and Ramirent, we have solidified our market leading position as the largest MEWP rental operator in Europe. Loxam's fleet size of approximately 65,000 pieces of powered access equipment is nearly double the size of the fleet of the next largest European operator, Mateco.

The chart below presents the top 10 European powered access equipment rental operators in 2021 as measured by total units in their respective powered access fleets, based on a ranking published by Access International in its July-August 2021 issue.



French Equipment Rental Market

Based on ERA data, the French equipment rental market is expected to be the third largest market in Europe, behind the United Kingdom and Germany, with an estimated size of €4.0 billion in 2021.

The challenging economic climate in France following the 2008 financial crisis affected the equipment rental industry until 2014, when the industry stabilized. The equipment rental market in France has historically displayed stronger growth than the French construction market since 2010, primarily due to good economic conditions, a strong technical level of local specialists and high degree of market concentration between two players. In 2020, the French market was severely impacted by the COVID-19 pandemic, due in particular to strict lockdown measures limiting construction activity. Although the market is expected to have grown by 11.6% in 2021, this rebound is partly technical, with forecasted growth in 2022 and 2023 of 5.2% and 4.2%, respectively, to be slower than the rates seen in 2019 (5.7%).

Based on our revenue, we believe that we and Kiloutou are the two largest players in the French equipment rental market. Both companies have contributed to the consolidation of the market. Kiloutou has focused more on opening new branches in areas with rental potential, while Loxam has focused on acquisitions to supplement organic growth.

Swedish Equipment Rental Market

The Swedish equipment rental market is the fourth largest market in Europe, with an estimated size of €1.9 billion in 2021 according to the ERA, representing growth of 2.5% over the previous year. The market is forecast to grow by 2.9% and 3.5% in 2022 and 2023, respectively.

Demand in the Swedish market prior to the COVID-19 pandemic had suffered from weakness in the construction sector, with further declines expected in coming years. However, the impact of the COVID-19 pandemic in Sweden, like in the rest of the Nordic countries, was relatively low due to the fact that the country avoided any strict lockdowns. While lingering weakness has continued into 2021, equipment rental sector prospects are positive, driven in particular by strong construction rental penetration, which is the highest in Europe at 3.5%. The Swedish market is characterized by strong demand for complete rental solutions covering equipment rental and related services to construction companies, including traffic on-site, waste management, or safety solutions. We believe that Loxam and Boels are the two largest players in the Swedish equipment rental market.

Norwegian Equipment Rental Market

The Norwegian equipment rental market is the eighth largest market in Europe, with an estimated size of €850 million in 2021 according to the ERA, representing growth of 2.0% over the previous year. The market is forecast to grow by 4.2% and 4.7% in 2022 and 2023, respectively.

Although Norway was able to avoid a significant impact from the COVID-19 pandemic, with only a limited lockdown period and continued construction activity, Norway did experience a slowdown in 2020 due to project cancellations and delays. Growth had already been slowing in part due to lower residential construction and rising interest rates that are expected to hinder refurbishment activity.

The equipment rental market in Norway is well diversified where non-construction related sectors contribute around 40% to sector output, with the oil and gas sector making the biggest contributions. The Norwegian equipment rental market is relatively consolidated with companies of fewer than 50 employees accounting for approximately 25% of the total market.

Finnish Equipment Rental Market

The Finnish equipment rental market is the eleventh largest market in Europe, with an estimated size of €680 million in 2021 according to the ERA, representing growth of 2.3% over the previous year. The market is forecast to grow by 3.7% and 6.4% in 2022 and 2023, respectively..

Following years of strong growth in the Finnish construction market in 2015-2018, market growth slowed in 2019, reflecting an expected downward trend due to a slowdown in new housing starts since mid-2018, a lower number of new projects in civil engineering segments and slowdown in housing renovation activity, Finland's largest construction sector. The immediate impact of the COVID-19 pandemic was moderate like in other Nordic countries, but the rental market is expected to continue to experience some medium- to long-term slowing due to project cancellations and delays. Nevertheless, recovery is expected in 2021 and beyond due to broader economic and construction output growth. Additionally, it is believed that the equipment rental market will be supported by a broader outsourcing trend in Finland favoring use rather than ownership.

Other European Equipment Rental Markets

Our other primary markets in Europe are the United Kingdom, where we specialize in powered access equipment, as well as the Netherlands, Spain, Denmark, Germany, Italy, Belgium, Switzerland, Poland, the Baltic States, Czech Republic and Slovakia. The United Kingdom is the largest equipment rental market in Europe, with an estimated revenue of €5.9 billion in 2021 according to the ERA, and Germany is the second largest, with an estimated revenue of €5.5 billion in the same year.

BUSINESS

Overview

We are the leading equipment rental company in Europe and the fourth largest equipment rental company in the world, in each case based on our revenue for year ended December 31, 2020. We have operations in 30 countries on four continents with a large and well-established presence in Europe, serving the construction, industry, public works, services and events sectors. During the twelve months ended September 30, 2021, we generated €2,153.1 million in pro forma revenue and €772.9 million in pro forma EBITDA.

Our activities are conducted in three principal geographies:

- *France*, in which we had 489 branches as of September 30, 2021. In France we provide both generalist equipment for construction, industrial use, landscaping, local authorities and the service sector, as well as specialist equipment such as aerial work platforms, generators, portable accommodation and heavy equipment for civil engineering. We generated 42% of our pro forma revenue for the twelve months ended September 30, 2021 from France.

- *Nordic countries*, which consist of Denmark, Norway, Sweden and Finland. As of September 30, 2021, our network in the Nordic countries comprised 215 branches. We provide both generalist and specialist equipment in the Nordic countries primarily through our Ramirent and Loxam Access brands. We generated 31% of our pro forma revenue for the twelve months ended September 30, 2021 from the Nordic countries.

- *Rest of the world*, which includes all other international countries where we provide generalist and specialist equipment, mainly the United Kingdom, Spain, Italy, the Benelux, Germany as well as the Baltic States, the Middle East, Brazil, Colombia and Morocco. As of September 30, 2021, we had a network of 360 branches in these countries and our business in these countries generated 27% of our pro forma revenue for the twelve months ended September 30, 2021.

We rent approximately 2,000 different types of equipment and tools in our fleet (excluding accessories), which consisted of approximately 650,000 pieces (excluding accessories) with a gross book value of €4.5 billion as of September 30, 2021. Our generalist offering is focused on equipment principally used in construction and civil engineering projects. These projects encompass a wide range of activities, including new buildings in the residential, industrial, commercial and governmental sectors, renovation, utilities, roadwork and infrastructure. Our specialist equipment offerings serve specific client needs in terms of performance (such as power or reach) or quantity of equipment and can include aerial work platforms, generators, portable accommodation and heavy equipment for civil engineering.

We also provide services such as transportation, refueling, damage waiver and retail consumable products to complement and support our rental business. Over the course of the year ended December 31, 2020, we provided these services for approximately 536,000 customer accounts through our various brands such as Loxam Rental, Ramirent, LoxamHune and Nationwide Platforms. As of September 30, 2021, we had 1,027 European branches, more than any other rental network in Europe.

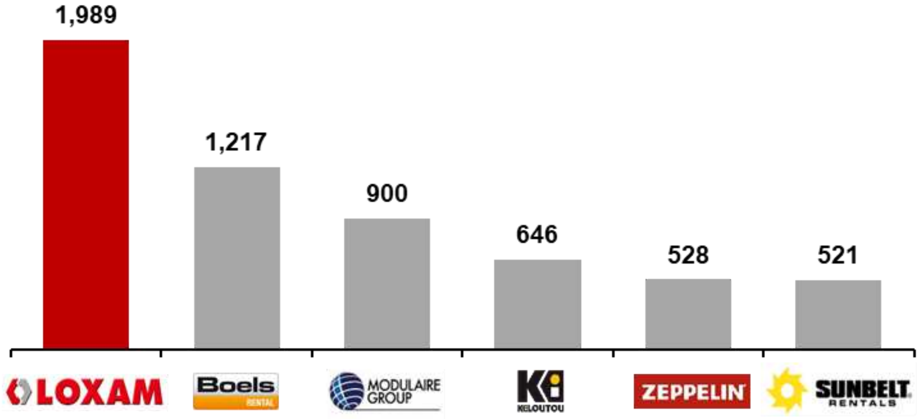
Competitive Strengths

We believe that the following competitive strengths have been instrumental in our success and will drive our future growth:

Undisputed leader in pan-European equipment rental market with positive growth outlook

Following the Ramirent Acquisition in 2019, we became the undisputed leader in the European equipment rental market. We continue to hold this position based on our revenue for the twelve months ended September 30, 2021. We also had an unmatched network of 1,027 branches across 21 European countries as of September 30, 2021. Based on our revenue for the year ended December 31, 2020, we estimate that we had market-leading positions in eight key European markets (France, the United Kingdom (for the powered access market), Spain, Norway, Sweden and Finland), and based our revenue for the year ended December 31, 2019, which was most recent period for which comparative information was available, we estimated that we had market-leading positions in Central Europe and the Baltic States. We also estimate we were the second-largest player in Denmark (based on our revenue for the year ended December 31, 2020), the Netherlands and Belgium (based on our revenue for the year ended December 31, 2019) and Italy (for the powered access market, based on revenue for the year ended December 31, 2020).

The chart below shows our leadership position based on our revenue for the year ended December 31, 2020, among European equipment rental providers, in millions of euros.



We have established our leadership in the European market through developing and expanding our network, both organically and through a series of successful acquisitions. Both Loxam and Ramirent have strong brand recognition epitomizing our high quality of service, dense network and large, high quality fleets. Our fleet totaled approximately 650,000 pieces of equipment, which is the largest in the European market based on its gross book value of €4.5 billion as of September 30, 2021.

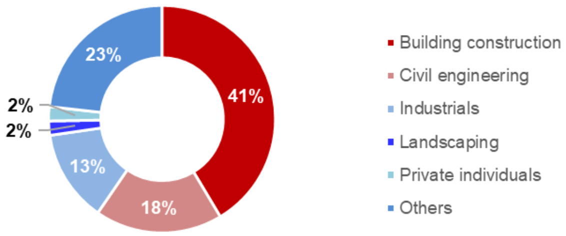
Despite the contraction experienced in 2020 due to the COVID-19 pandemic, we believe that we will benefit from strong fundamental market drivers supporting long-term growth prospects for the equipment rental markets, due to a structural shift towards equipment rental in lieu of ownership. The European Rental Association ("ERA") estimates that the European rental market grew by 4.4% in 2018 and 4.1% in 2019. Despite a drop of 7.2% in 2020, the ERA estimates that the market rebounded with growth of 6.3% in 2021 and will grow by 5.6% in 2022 and 5.7% in 2023. In France, our largest market, the rental market had an estimated value of €3.6 billion in 2020 and €4.0 billion 2021 according to the ERA. The French equipment rental market is expected to increase by 5.2% in 2022 and by 4.2% in 2023, according to the ERA. The UK equipment rental market decreased by 17.4% in 2020 but is estimated to have bounced back by 8.5% in 2021 and further grow by 6.0% and 7.4% in 2022 and 2023, respectively, according to the ERA. Further estimates from the ERA indicate that the equipment rental markets in Sweden, Norway, Finland and Denmark are expected to grow by 2.9%, 4.2%, 3.7% and 4.2% in 2022, respectively, and by 3.5%, 4.7%, 6.4% and 3.1% in 2023, respectively.

Our confidence in the fundamental strengths of the equipment rental industry is demonstrated by our resumption of capital expenditures to invest in our rental fleet during the second half of 2020, as well as our recent acquisitions of JM Trykluft in Denmark and Maskinslussen in Sweden. As the market leader in France and the leading European equipment rental company, we believe we are well positioned to capitalize on these positive trends. For more information on the trends impacting our markets, see "*Industry*".

Dense commercial footprint serving diversified geographic and customer end markets through an expansive fleet and high-quality customer service

We owned a fleet of approximately 650,000 pieces of equipment as of September 30, 2021 and we served approximately 536,000 customer accounts over the year ended December 31, 2020 in 30 countries. Our portfolio of clients mostly includes construction and industrial customers, from small businesses and craftsmen to large international groups, and our customers operate within different economic and construction cycles. The construction end markets represent the largest portion of our business and accounted for approximately 59% of our revenue for the twelve months ended June 30, 2021. In recent years, we have diversified the source of our revenue across industries and we now increasingly support the day-to-day activities or occasional needs of customers engaged in the broader services sector, such as events, training and facility management. As a result of these efforts, the portion of our pro forma revenue generated by non-construction end markets reached approximately 41% during the twelve months ended June 30, 2021.

The chart below shows the percentage of our revenue for the twelve months ended June 30, 2021 generated from customers in different sectors.



Our customer diversification efforts continued in the context of the COVID-19 pandemic, as we focused on attracting more small business customers through our branches or through rental corners (of which we had more than 600 across France, Germany, Spain and Belgium as of September 30, 2021). As a result, we are less dependent on the revenue generated from our top 10 customers, which accounted for approximately 11% of our revenue for the twelve months ended June 30, 2021.

We provide our customer base with access to a fleet encompassing a wide range of both generalist and specialist equipment that meets our customers' varied demands while limiting their environmental impact. We believe that we are the only rental group to provide such a range of both generalist and specialist brands on our geographic scale. Our evolving fleet allows us to act as a one-stop shop, meeting a full range of client needs for earth moving, aerial work, handling, compaction, energy, modular and building equipment. Additionally, we aim to obtain standardized equipment from our suppliers to the extent possible and in accordance with our high standards. Greater standardization of our fleet lowers maintenance costs and reduces training time for our staff while also promoting greater fleet utilization by making it easier to share spare parts between branches and transfer equipment from one branch to another.

Client service is a central element of our brand and we seek to go beyond being able to provide the equipment our clients need by providing outstanding service throughout the rental process. This is why we have developed in-house training programs to train our staff from the moment they are hired. The Loxam School near Paris, where most new recruits spend some time for an induction training, offers our employees training on sales skills and the safe use of our equipment so that our employees are able to more effectively advise our clients in their choice and use of rented equipment. We perform quarterly customer satisfaction surveys covering approximately 30,000 customers. Our Net Promoter Score, which we follow to track our customer satisfaction, was 60.4 for the year ended December 31, 2020, an increase from 37 in 2018 and 45.7 in 2019. In France, in 2021, we were recognized as the client service provider of the year in the rental equipment category by ESCDA (*Élection Service Client de l'Année*) for the fourth consecutive year. Ramirent has historically had a similarly strong commitment to customer service, which is reinforcing our existing reputation in this area.

Our dedication to client service was particularly evident in our response to the COVID-19 crisis. In each country where we are present, our teams were mobilized to ensure continuity of service despite having to close our branches to the public in order to comply with local laws, while also developing new offerings and participating in initiatives to support our communities. For example, through our newly created subsidiary Loxamed, we developed mobile screening units for COVID-19.

Proven and flexible operating model supported by superior market knowledge as well as strong fleet and network management skills

Our successful, customer-oriented business model centers on the smart management of our rental equipment fleet and our broad network of branches, which is guided by our superior knowledge of the end markets, customers and geographic regions we serve.

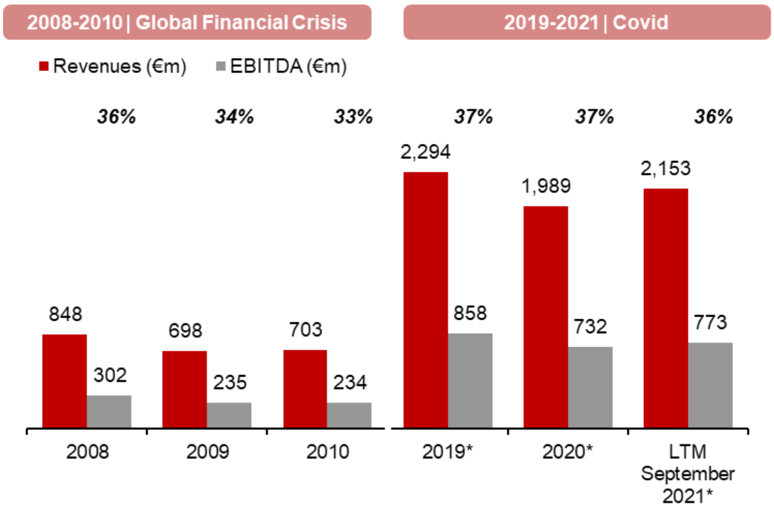
Market knowledge and experience are central to each aspect of our business model. Our branches are deeply embedded in the local markets in which they operate and we emphasize building and maintaining close relationships with clients at the local level in order to learn about, and adapt to, their changing needs as well as those of the overall construction market. We use market indicators such as GDP growth and construction activity in addition to information generated from our local branch network and strong customer relationships to predict short- and medium-term demand for our services. Our responsive business model is informed by the density of our network, particularly within France, the large number of our customers across diverse end markets and our experience of more than 50 years in the equipment rental market.

The quality and appropriate management of our fleet is a core part of meeting our customers' needs and maintaining our profitability and market leadership. We use the needs of our customers and the business cycles affecting our industry as well as our own set of key internal indicators, such as the age and utilization rates of different products in our fleet, to make strategic decisions with respect to the deployment of our fleet across our network and to the level of capital expenditure dedicated for the maintenance or expansion of our fleet. We continuously update and expand our fleet in order to meet the technical demands of our clients' operations and pursue opportunities to target new sectors.

We focus on maintaining the quality and flexibility of our overall network through close quality control of our branches, training of our employees, optimized IT systems and detailed reporting tools that allow for information sharing and internal benchmarking. We monitor the quality of our branches through regular internal and external audits. We promote the quality and dynamism of our network by providing our employees with different types of comprehensive internal training across all levels and divisions to foster the development of multiple skill sets, resulting in a more efficient and motivated workforce. We rely on several integrated enterprise resource planning ("ERP") systems that support numerous aspects of our operations. In particular, these systems provide us with immediate data to inform the deployment of assets within our network to areas where the level of demand is higher, thus maximizing our utilization rates and further reinforcing the flexibility of our business model.

Profitable track record and ability to manage business cycles through nimble cost and capital expenditure control

We believe that our ability to manage our operating costs and our fleet according to market conditions is a competitive advantage that has contributed to our historically high level of profitability. As illustrated by the below chart, we have demonstrated an ability to maintain EBITDA margins above 30% through economic cycles, due in part to our ability to quickly adapt our fixed costs to our level of business activity.

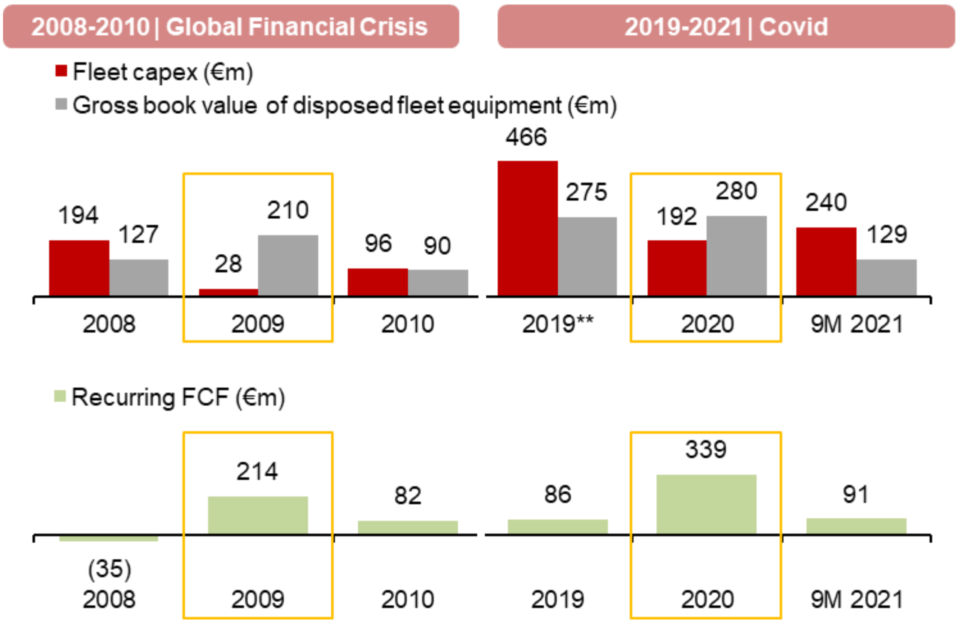


**2019: EBITDA post-IFRS 16, pro forma for the Ramirent Acquisition on a twelve-months basis, including synergies; revenue pro forma for the Ramirent Acquisition*
**2020: EBITDA post-IFRS 16, including synergies*
**LTM September 2021: revenue and EBITDA post-IFRS 16, pro forma for the JM Trykluft and Maskinslussen acquisitions on a twelve-months basis*

We believe that our EBITDA margin is among the highest of other European equipment rental providers.

We are able to efficiently manage our capital expenditure based on our market expectations. In a growth cycle, we invest in our rental fleet to enhance our product offering and expand into new products and markets. In a downturn, we can rapidly reduce capital expenditures, streamline our network and pay down debt with our cash flows. We notably were able to quickly adapt our cost base in 2020 in response to the COVID-19 pandemic, taking actions to preserve our liquidity and focusing on maintaining our existing fleet through reduced capital expenditure. Once conditions stabilized and our liquidity was ensured in the second half of 2020 and in the first half of 2021, we resumed capital expenditure.

The charts below illustrate our ability to calibrate our net capital expenditure while preserving free cash flow generation in difficult macroeconomic conditions, as we did during the global financial crisis between 2008 and 2010 and again during the COVID-19 pandemic.



*** 2019 Fleet capex pro forma for the Ramirent Acquisition on a twelve-months basis*

We have no long-term engagements in respect of capital expenditures and make investment decisions on a regular, near-term basis. As a result, we are able to quickly adjust our level of investment in the fleet to respond to the state of the market. The countercyclical nature of our cash flow generation, driven by discretionary capital expenditure requirements, contributes to the overall resilience of our business model through economic cycles.

Experienced management with superior market knowledge

Our senior management team is led by Mr. Gérard Déprez, our president, CEO and controlling shareholder who has over 30 years of experience with us. The members of our management committee have significant experience in our industry and are supported by divisional and regional managers in an organizational structure that empowers middle management and local branch managers while keeping bureaucratic processes at a minimum. We believe that our lean management structure encourages strong commitment and entrepreneurial spirit across our organization.

Our management team has proven its ability to consistently deliver strong financial performance and protect cash flow generation. In recent years, our management team has also earned distinction for its skill at expanding our business through acquisitions. Our local management teams share similar approaches and priorities, with a common focus on improving safety and diversifying our customer end markets.

A clear commitment to environmental, social and governance issues

ESG topics are at the core of our operations through a Group-level coordinated effort overseeing business unit-level initiatives. Our achievements and level of commitment in this area have been recognized by independent third parties. We monitor a number of common KPIs throughout our group and set ambitious annual targets in the domain of ESG matters.

In France, we have an ESG policy based on five key commitments:

- *Local establishment and development.* We are committed to making our widespread establishment an opportunity for local communities, through taking action to develop the local economy, offering local customer service and contributing to matters of general interest through local solidarity. For example, we provided equipment for the temporary reconstruction of certain buildings in the Roya Valley in France after unprecedented flooding devastated the region in September 2020. We also entered into a corporate patronage agreement to equip the storage center for works of art from the Notre-Dame cathedral in Paris as part of the efforts for its reconstruction following the fire it suffered in 2019.

- *Safety*. We strive to guarantee safety anytime and anywhere, through safeguarding our employees' safety, innovating to offer ever safer equipment and accompanying our customers in developing a safety culture. For example, we have invested in new delivery trucks with the latest safety innovations, such as redesigned safety ramps, a foldaway walkway with handrails, activated by hydraulic cylinders, increased flashing lights and an approach radar on the deck which is active during equipment loading.

- *Environmental protection.* We proactively take action to protect the environment, through reducing consumption of resources at our sites, optimizing our transport logistics to reduce our environmental footprint and offering customers environmentally-friendly equipment. For example, in 2020, we moved into a new, modem head office in a building that was awarded a "Very Good" rating by BREEAM for environmental efficiency.

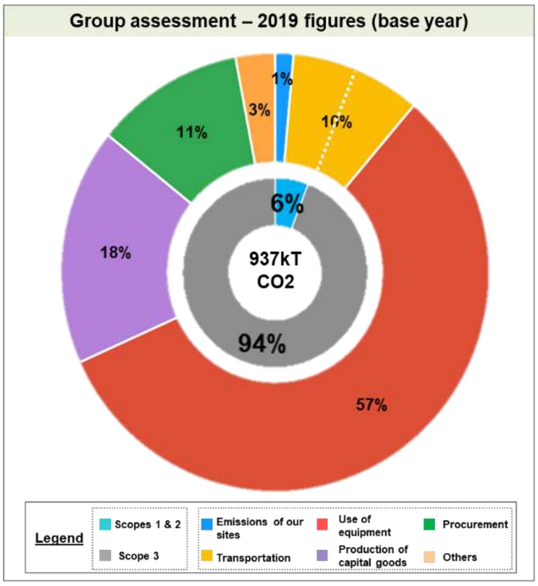
- *Employee development.* We contribute to the development of our people, through taking action to onboard and develop our talents, promoting quality of life at work and encouraging social dialogue and benefitting from the wealth offered by diversity and encouraging solidarity. This was exemplified by the manner in which we addressed the multiple challenges our workforce faced during 2020, including taking measures to protect our employees' health, preserving jobs through the use of furlough schemes where possible and providing the tools necessary to permit telecommuting.

- *Professional ethics.* We seek to lead by example with our professional ethics, through promoting our internal ethics policies and capitalizing on our relationship of trust with our suppliers to develop a responsible procurement policy. In 2020, we entered into a partnership with Ecovadis to professionalize the evaluation of and deploy a plan to gauge our suppliers' commitments to CSR matters.

Our operations outside of France reflect our group-wide vision of the importance of ESG matters, with local business units developing practices best suited to conditions on the ground. For example, in the Nordic countries, Ramirent has been committed for many years to an ambitious sustainable development policy, with clearly identified objectives founded upon purchasing environmentally-friendly equipment, establishing sustainable operating processes, promoting initiatives for employee engagement, quality of life at work and career and skills management, and reinforcing solid safety and ethics policies. In addition, our Spanish and Portuguese business unit, LoxamHune, signed up to ambitious environmental commitments in 2020 to achieve carbon neutrality in its direct emissions in accordance with the ISO 14064 standard.

On a Group level, we have recently stepped up our commitment to environmental protection through further efforts to measure and minimize our carbon footprint, after years of demonstrated initiatives such as our ISO 14001 certification in 2010. We have invested in equipment meeting the latest environmental standards, including equipment with hybrid or electric engines. We also have made efforts to optimize transport logistics through the creation of regional transport nodes that manage logistics to minimize the number of trips made by our trucks in larger metropolitan areas. In 2021, we disclosed the Group's greenhouse gas emissions for the first time, for each of scopes 1, 2 and 3 of the GHG Protocol Corporate Accounting and Reporting Standard. Our total emissions amounted to 937 $ktCO_2e$ for the year ended December 31, 2019, with scope 1 and scope 2 emissions (i.e., direct emissions from owned or controlled sources and indirect emissions from the generation of purchased energy consumed by the Group, respectively) accounting for 6% of our total emissions. Of our scope 3 emissions, 57% were attributable to the use of our equipment on our customers' worksites.

A breakdown of our 2019 greenhouse gas emissions is presented below.



In September 2021, we announced our carbon trajectory and our pledge to reduce our direct emissions (scopes 1 and 2) by 50% and our indirect emissions (scope 3) by 30%, in each case using 2019 as a baseline year, by 2030. In step with the Paris Climate Agreement, our declared targets would enable us to contribute to keeping global warming within the ambitious target of 1.5°C, as validated by the Science-Based Targets initiative. We believe we are the first equipment rental company to set Scope 1, 2 and 3 reduction targets by 2030. We have already begun initiatives in furtherance of these targets. For example, we have entered into a contract for the supply of all of our gas-heated sites with biomethane, a renewable gas made from the fermentation of organic matter, from January 1, 2022. We also have invested in natural gas-fueled trucks to deliver our equipment, which are quieter and less polluting than trucks with traditional combustion engines. To help reduce our customers' emissions, we intend to further invest in low-emission equipment. During the six months ended June 30, 2021, 59% of our fleet capital expenditures was on equipment with a combustion engine, 21% was on electric or hybrid motor equipment and 20% was on equipment without a motor. In addition, as of June 30, 2021, 13% of our total fleet had stage 5 engines, which are the cleanest diesel technology for reducing nitrogen oxide and particulate matter emissions. Our capital expenditure for 2021 targets a purchase of 25% of green equipment, and we intend to devote a greater percentage of our future capital expenditure to green equipment in future years.

The seriousness and robustness of our ESG initiatives have been confirmed by independent third parties. For example, in 2021, Vigeo Eiris assessed our ESG approach and gave us a score of 47/100, which was the highest ranking among equipment rental companies, for our sustainability performance. Sustainalytics assessed our overall non-financial risk, giving us a score of 13.8, representing a low level of risk. We have sought and maintained ISO certifications in a number of areas, including earning ISO 9001 certification in operational excellence in 1997 and becoming the first rental equipment company in the world to obtain ISO 45001 in safety at the end of 2019. Our ESG efforts have been rewarded several times, including through the Ecovadis Gold certification most recently in 2020.

Strategies

The key elements described below form the base of our business strategy.

Further diversify our customers within and beyond the construction industry

We will continue our strategy of diversifying our customer pool in order to capture the most active segments of the construction market. For example, we have strengthened our focus on more resilient sectors such as renovation, which has been particularly active in recent years. The expansion of our access equipment business through the Lavendon Acquisition has diversified our customer base even further as powered access equipment reaches a broader range of market sectors. Additionally, the Ramirent Acquisition has contributed to the diversification of our customer base beyond the construction market and reduced the significance of the top 10 customers in our revenue due to the lack of overlap among our respective customers.

We have also increased our exposure to other end markets, such as manufacturing, local authorities, event organizers, landscaping, retail, petro-chemical, training, demolition and facilities management. The customers in some of these sectors often have higher expectations in terms of access to service (24 hours a day/7 days a week) and appreciate the high standard of service and equipment quality we provide across our business.

We are also targeting additional client categories, such as small and medium enterprises (SME) or craftsmen who need smaller equipment and tools. Additionally, we are broadening our customer base through the development of partnerships with major do-it-yourself retail chains, sometimes based on a co-branding model. We also continue to open Loxam City shops in Paris to offer our customers proximity to their sites. We had a total of 16 Loxam City branches as of September 30, 2021.

Maintain our high-quality fleet of rental equipment

We will continue to actively monitor the size, quality, age, composition and efficiency of our rental fleet. We are committed to the disciplined management of our fleet to optimize utilization and profitability through the following strategies:

- Leveraging our scale to negotiate fleet purchase prices and develop customized services and bespoke equipment addressing our requirements in terms of quality, safety and low maintenance costs. Our long-lasting relationships with key equipment suppliers will allow us to obtain useful information on new product innovations and assess market demand.

- Using our comprehensive information systems and market knowledge to increase our utilization rate and yield. We will continue redeploying assets within our branch network, optimizing pricing, adjusting our fleet mix on a real time basis and maintaining fleet quality and diversification. We will focus our primary investments in the most active markets where our fleet has a higher utilization rate and where we expect stronger market trends.

- Maintaining our fleet to rigorous standards by tracking the servicing history of each piece of equipment.

- Seeking to remove older or idle equipment from our fleet at optimal times, and rejuvenating our fleet so as to be well-positioned to serve customers and meet higher demands as a result of a strengthening market while seeking to minimize the carbon footprint of our activities through investing in an increasing amount of hybrid and/or electric-powered equipment. For example, during the six months ended June 30, 2021, 59% of our fleet capital expenditures was on equipment with a combustion engine, 21% was on electric or hybrid motor equipment and 20% was on equipment without a motor. In addition, as of June 30, 2021, 13% of our total fleet had stage 5 engines, which are the cleanest diesel technology for reducing nitrogen oxide and particulate matter emissions.

- Optimizing recycling of equipment through repair and salvage. For example, fleet equipment that leaves our active rental fleet at the end of its lifecycle in France is sent to a reprocessing facility near Alençon. This facility evaluates the equipment and helps us to determine whether to sell such equipment to third parties or to recycle it for spare parts for our fleet. These recycling efforts allow us to take advantage of lower costs for certain replacement parts for our rental fleet.

We believe that these strategies have helped us develop a reputation for quality and reliability that will continue to make us an attractive choice for our customers while optimizing our operating costs and making the most of our fleet-related capital expenditures.

Lead market consolidation and further strengthen market position through successful integration of acquisitions

We believe that our acquisition track record has established us as a unique market consolidator and has helped to strengthen our market leadership by acquiring scale, particularly in Europe. Historically, through our acquisition strategy, which is supported by our extensive familiarity with the markets we serve and our ability to anticipate customer needs and new market opportunities, we have aimed to complement our organic growth, strengthen our leading market positions, increase the density of our network and reach a critical size to run profitable operations at a local level. Our acquisition strategy has included both significant transformational acquisitions, such as those of the Lavendon and Hune Groups in addition to the Ramirent Acquisition, and bolt-on acquisitions, such as those of JM Trykluft in Denmark, Maskinslussen in Sweden and UK Platforms Limited ("UK Platforms") through our subsidiary Nationwide Platforms Limited. For further details of these and other recent acquisitions, see "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Key Factors Affecting Results of Operations—Acquisitions.*"

We have most recently focused on successfully integrating Ramirent's business and driving cash flow generation to deleverage while continuing to evaluate value-accretive bolt-on opportunities in parallel. We believe the fragmentation in the global equipment rental market will continue to allow us to complete acquisitions and act as a market consolidator within our existing markets and globally, even though we mainly focus on deleveraging, we continue to evaluate opportunistic acquisitions and actively monitor opportunities to expand and optimize our network at the local level in order to further maximize profitable growth.

Successful integration of acquisitions is key to our strategy and we believe that our management team has developed expertise in this area that has positioned us to integrate Ramirent and any future acquired companies smoothly and profitably. We completed our integration of Ramirent and Stavdal in 2020, and achieved anticipated cost savings synergies of approximately €12 million from the Ramirent Acquisition and €6 million from the Stavdal acquisition, primarily linked to reductions of headquarters costs, the costs associated with Ramirent's former status as a listed company, IT costs and other administrative costs, ahead of schedule. More generally, and as we have done with the management of Ramirent and Lavendon, we work closely with the management of acquired companies to understand the nuances of their operations and local markets and draw from our own expertise and familiarity with the equipment rental markets to optimize equipment offerings and adjust branch locations as needed in order to anticipate and meet the needs of each market we serve.

Continue to adapt our disciplined and responsive financial model

We intend to continue managing our operations with a clear focus on EBITDA growth and cash flow generation to fund our future investments and service our debt. Our management's experience in equipment rental gives us a long-term vision of the construction and public works industries and thus of demand for our equipment. Our responsive business model has enabled us to maintain high EBITDA margins while also giving us the flexibility to quickly adjust our capital expenditure investments to match demand in order to protect cash flow generation. This strategy relies on strong financial discipline implemented across our platform, and our resilience through economic downturns, including most recently during 2020, are evidence of our success in delivering on this discipline in the past.

We plan to continue using this experience to help us recognize key inflection points in the cyclical construction market and to guide our decisions on deployment of capital, be it to further invest to meet growing market demand or reduce capital expenditure and instead apply cash to debt repayment. Our approach helps us to maintain profitability and meet the evolving needs of our customers, avoiding either excess fixed costs related to over-investment during periods of decreased demand or lost revenue opportunities and customer dissatisfaction due to under-investment during periods of increased demand.

Maintain our commitments to safety, quality, corporate sustainability and responsibility

We intend to remain at the forefront of our industry as a leader for safety, quality, responsibility, sustainability.

Safety is a top priority for us. We provide safety-related trainings for both our employees and our customers and in 2020 delivered approximately 44,000 hours of training in France, including more than 25,500 hours of training dedicated to risk prevention. We have also developed and implemented workshops and regular security briefings at the branch level and introduced a new motto throughout our branches: "safety, anytime and anywhere." Additionally, we hold ISO 9001, ISO 14001, MASE, VCA and OHSAS certifications and, shortly after integrating with our Group, Hune earned the internationally-acknowledged OHSAS 18001 certification in 2017 for its occupational health and safety management system. These certifications recognize the policies implemented by all of our teams to reduce the risk of accidents, comply with legislation and improve safety and working conditions. In 2019, we signed a partnership convention with the OPPBTP (French Building Industry Accident Prevention Organization) to promote good practices in accident prevention and safety towards all construction industry stakeholders. Finally, to further our commitment to the health and safety of its employees and clients, we deployed a plan to obtain ISO 45001 certification which aims at reducing occupational injuries and diseases, including promoting and protecting physical and mental health. In June 2020, our Spanish and French networks (representing 541 branches) were certified ISO 45001.

Our customers benefit from similar safety-driven training and solutions. For example, our powered access customers in the UK benefit from Lavendon's BlueSky Solutions, which develops innovative solutions to reduce the risk of accidents associated with working at high heights. We also seek feedback from our customers about their experience using our equipment so that we can adjust our offerings to provide what will be most safe, reliable and adaptable to our customers' wide range of needs. For example, through a collaboration between Bouygues Construction, our Group and Manitou, we now offer a safety pack, "LoxSafe", deployed on our telescopic handlers, to help reduce common and potentially serious accidents. If a dangerous situation is detected (such as not wearing a seatbelt or moving loads causing a risk of tipping), the driver of the machine is alerted. The alert is also transmitted externally, including by SMS. Our long-standing relationships with our suppliers also make us well-positioned to help our customers use equipment safely and to relay their feedback to the manufacturers so that our customers can benefit from improved machine designs.

We are committed to promoting corporate sustainability and responsibility. We seek to build on the efforts that have already earned us recognition from large, independent rating agencies to pursue further ambitious ESG initiatives. We fully intend to be a driving force and become a reference in our sector for ESG to move forward and guarantee a sustainable and supportive future that protects the environment and is open to all forms of diversity. Committed to sustainable development to protect the environment and biodiversity, we aim to be exemplary in our regional presence, including by encouraging all employees to take initiatives to contribute, at their level, to better preservation of resources. For example, we have recently pledged to cut, by 2030, our direct emissions by 50% and our indirect emissions by 30% compared with 2019. In step with the Paris Climate Agreement, these targets enable us to contribute to keep global warming within the ambitious target of 1.5°C. Further, as a committed employer, we are renewing our promises and continuing our initiatives with company employees in the fields of diversity, training, promotion and safety.

As part of our commitment to corporate responsibility, we also prioritize the professional development of our employees throughout their careers. The Loxam School in Bagneux, near Paris, has been open to all our employees across our three divisions and has offered sessions to both beginners and experienced staff since 2008 with the aim of improving key skills. Training is provided by experienced professionals from our network and covers a variety of fields including knowledge of equipment, safety, environment (waste processing, energy savings, etc.) sales skills and team management, among others. The Loxam School also plays a key role in the integration of employees from acquired companies. For a further description of our ESG initiatives, see "*Business—ESG*".

Further develop digitalization efforts

We intend to continue to embrace digital transformation, which we believe is key to improving both our internal processes and efficiency as well as the level of customer service we are able to offer. We recently completed our own two-year digitalization project in 2020 through the overhaul of our main websites and the deployment of digital tools for both our customers and our employees. For example, our MyLoxam customer portal allows customers to access a personalized, secure portal available 24 hours a day, seven days a week, through which they can manage their rental contracts and save time, make the most of their rentals and complete more tasks themselves. We also have rolled out a synchronization system between our customers' procurement management applications and our ERP, which allow customers to manage their contracts directly through their procurement tool and allows them to make modifications to deal with issues that are common in the equipment rental industry (such as inclement weather, contract extensions and service monitoring). We believe that these types of digital initiatives will be a source of significant productivity gains for both us and our clients. Moreover, we believe that the digital tools we have deployed and will continue to roll out for the benefit of our teams has improved and will further boost their efficiency while also reducing our carbon footprint. We plan to continue developing and promoting digital offerings in the future in order to further set ourselves apart from our competitors.

History and Development

Our company was founded in 1967 in Hennebont (Brittany), France under the name "SAM Location" and focused initially on generalist equipment rentals. In 1994, the company was the subject of a management buy-out following the acquisition of our main shareholder by Holderbank, a building materials company, which had decided to exit the equipment rental sector in order to refocus on its core business. In 2011, private equity investors 3I plc and Sparring Capital each took a minority stake in the Issuer. In December 2016, the funds managed by 3I plc tendered their shares as the Issuer effected a buyback on 11% of its share capital to optimize its capital structure. In November 2021, Sparring Capital sold the balance of its stake in the Issuer's share capital in the context of a new share buyback the Issuer's share capital. See "*Summary—Recent Developments—Closing of Sale of Sparring*

Capital's Interest in Loxam and Capital Reduction". As a result, the Issuer is fully owned by Mr. Déprez and his family, together with our management and employees.

French expansion

We began expanding nationally in France over 30 years ago, both organically and through a number of small and large strategic acquisitions. We began developing activities in specialist markets as early as the 1980s in order to address our clients' needs for large quantities of specific equipment, such as access equipment, or very specialized needs, such as high access with operators, assembled modular constructions, temperature control, high end power and large capacity compressors, which we believed presented targeted opportunities for growth. In 1988, we acquired LMI (since named Loxam Power), which specializes in air compressors and generators. In 2001, we solidified this division by establishing three business units to address the increasing demand for specialist equipment: Loxam Access, which specializes in powered-access equipment, Loxam TP, which specializes in heavy equipment for civil engineering and demolition, and Loxam Module, which specializes in modular shelters.

International development

Most of our recent development has occurred outside of France. In 2017, we acquired the Lavendon Group, specialized in renting out powered access equipment through 70 branches located in the United Kingdom, Germany, Belgium and the Middle East, and acquired the Hune Group (37 branches) which operates in Spain, Portugal, and has two joint ventures in Saudi Arabia and Colombia. During that year, we also acquired the Danish equipment rental operations of Cramo Plc, the activities of the Italian powered access equipment rental company Nacanco SpA, through a newly created subsidiary Loxam Access SRL, and the Irish company Swan Plant Hire, with 2 branches in Dublin.

In June 2018, Loxam Access SRL acquired 100% of the Italian powered access rental company No.Ve ("Nove") from Haulotte Group S.A. Nove operates 6 branches in Italy. On July 24, 2019, we acquired Ramirent, a leading service company offering equipment rental for construction and other industries. The Ramirent Acquisition enabled us to increase our geographical presence in Europe, confirm our position as the undisputed European equipment rental leader and the fourth-largest provider in the world

Most recently we have continued to consolidate our position in the Nordic countries through two strategic bolt-on acquisitions. On June 1, 2021, Loxam Denmark acquired JM Trykluft, a general equipment rental player with a network of nine branches located throughout Jutland. In 2020, JM Trykluft generated revenues of over €18 million and employed approximately 70 people. On June 10, 2021, Ramirent Sweden acquired Maskinslussen, a leading general equipment rental player in the Västra Götaland county (western part of Sweden), where it operates three branches. During its 2019/2020 fiscal year, Maskinslussen generated revenues of approximately €9 million and employed 44 people.

Our geographical diversification through our various international acquisitions, including the acquisitions of Lavendon and Ramirent, has allowed us to reduce the relative share of the French market in our business from 60% for the year ended December 31, 2018 to 42% of our pro forma revenue for the twelve months ended September 30, 2021.

Products and Services

Our principal activity is equipment rental, which accounted for approximately 69% of our revenue for the year ended December 31, 2020. As of September 30, 2021, we offered approximately 2,000 different types of equipment and tools for rent (excluding accessories). Most of our generalist rentals are short-term (often less than one week). We also provide rental services (approximately 26% of our revenue for the year ended December 31, 2020), such as transportation of equipment and assembly related to modular rentals, that complement and support our rental offerings and, to a lesser extent, engage in retail activity at our branches (approximately 5% of our revenue for the year ended December 31, 2020). We maintain a business model that has kept EBITDA margins above 30% through economic cycles, primarily through our ability to quickly adapt our fixed costs to our level of business activity.

Since January 1, 2021, we have organized our business into three segments based on our geographical footprint:

- France, in which we provide both generalist equipment for construction, industrial use, landscaping, local authorities and the service sector, as well as specialist equipment such as aerial work platforms, generators, portable accommodation and heavy equipment for civil engineering. Our French segment generated €912 million in revenue and €342 million in EBITDA for the twelve months ended September 30, 2021.

- Nordic countries, provide both generalist and specialist equipment in the Nordic countries primarily through our Ramirent and Loxam brands. Our Nordic segment generated €655 million in pro forma revenue and €203 million in pro forma EBITDA for the twelve months ended September 30, 2021.

- Rest of the world, which includes all other international countries where we provide generalist and specialist equipment, mainly the United Kingdom, Spain, Italy, the Benelux, Germany as well as the Baltic States, the Middle East, Brazil, Colombia and Morocco. This segment generated €586 million in revenue and €229 million in EBITDA for the twelve months ended September 30, 2021.

Rental products

Our principal activity consists of renting generalist and specialist equipment to customers in the construction, industrial use, landscaping, local authorities and the service sector.

Our generalist offering is focused on equipment principally used in construction and civil engineering projects. These projects encompass a wide range of activities, including new buildings in the residential, industrial, commercial and governmental sectors, renovation, utilities, roadwork and infrastructure. We also provide equipment for general industrial, landscaping and other activities. Our main generalist product lines include:

- earth moving equipment, including excavators, loaders and dumpers, which are designed for digging, lifting, loading, moving and building materials and are frequently used in construction and civil engineering projects;

- aerial work platforms, including booms, scissors and vehicle-mounted platforms, which are mechanical elevation equipment used in various activities, including general industrial and service works and facility management;

- handling equipment, such as forklifts and telescopic handlers, which are used to lift and transport materials and are often used in the construction, manufacturing and warehousing industries;

- compaction equipment, including compactors, rammers, rollers and vibrating plates, which are used to compact soil, gravel or asphalt in the construction of roads and foundations or to reduce the size of waste material;

- energy equipment, including compressors and generators, which are used to power machinery or construction sites;

- building equipment, such as drillers, concrete mixers, trowels and saws; and

- other equipment, including hand-operated tools such as power drills, chainsaws, and jackhammers as well as scaffolding, trucks, pumps, site surveillance systems and traffic management equipment, among others, which are mainly used in construction and renovation projects.

Our specialist equipment offerings serve specific client needs in terms of performance (such as power or reach) or quantity of equipment. Our different lines of specialist equipment are marketed and rented through dedicated subsidiaries and business units, as described below:

- powered-access elevation equipment, with or without operators, includes truck-mounted booms, telescopic and articulated booms and other platforms for reaching significant heights, used in construction, landscaping, events and by utilities and media customers;

- modular buildings include portable accommodation, workspaces and containers, often used on major construction or civil engineering sites, for special events, schools, administrative offices and for other applications;

- large compressors, generators and temperature control units include air compressors used to provide power to construction machinery and electrical generators that convert mechanical energy into electrical energy to power heavy machinery or to provide electricity where the grid is not available, as well as welding and pumping equipment;

- heavy civil engineering equipment is used for excavating, grading and compacting, principally for earthworks, road and railway construction, landscaping and demolition;

- equipment such as forklifts, super-silent generators and platforms for use in the production and logistical coordination of cultural, sporting and public events, concerts, exhibitions and television productions, and

- temporary suspended platforms, mobile and fixed scaffolding, modular portable formwork and lifting equipment.

We continue to add new products to our rental catalogue, including temperature controls and cooling equipment, deconstruction equipment and accessories, bi-energy equipment (such as excavators and access equipment) and site elevators, reflecting our ongoing innovation and response to customer needs. We have also recently developed new services, such as Loxamed, which provides mobile telemedicine services to public authorities and private businesses, including mobile testing capabilities.

Rental services and retail

We offer a variety of services that complement and support our rental offerings. Rental services, which accounted for approximately 26% of our revenue for the year ended December 31, 2020, include transportation of equipment to a site and assembly of modular equipment, damage waivers, which act like a product warranty against theft and breakage, and rebilling of other services such as equipment maintenance and fuel. The cost of providing these services is passed on to customers. Our rental services activity supports our core rental business and is not a separate division.

We also sell supplies, work site accessories and tools at our branches, including replacement parts, safety equipment and cleaning tools used by our end-customers. Retail activity accounted for approximately 5% of our revenue for the year ended December 31, 2020. We consider retail to be an activity that supports our primary rental activity.

Customers

We have a broad customer base ranging from large international companies to craftsmen. Our customers operate in many sectors, including residential, industrial, commercial construction, civil engineering such as transportation and infrastructure, utilities, building renovation, distribution, logistics, retail, environmental, events and media. During the year ended December 31, 2020, we provided services for approximately 536,000 customer accounts.

A significant portion of our customers are large construction and civil engineering groups with national operations. These customers operate through a large number of divisions with whom our relationships are established locally at the branch level by our branch managers and sales executives (and supported by key accounts managers within our headquarters), providing multiple entry points in our contacts with customers and contributing to the diversification and stability of our customer base. In 2020, business with construction and civil engineering customers represented approximately 44% and 17% of our revenue, respectively.

Our network of branches and our specialist equipment offerings enable us to provide tailored and attentive service to local and regional customers, while our developed full-service infrastructure allows us to effectively service large national and international customers. These large and diversified groups are significant operators in the construction and civil engineering sectors, as well as in road building, industrial maintenance and electrical works. They operate through hundreds of companies who we serve through our network of 1,064 branches worldwide.

Our top 10 customers, all of which operate in the civil engineering, construction or utilities sectors, accounted for about 13% of our revenue for the twelve months ended December 31, 2020 and our top three customers accounted for 6% of our revenue over the same time period. In 2020, as a result of our diversification efforts, we have continued to increase the percentage of our revenue generated from smaller customers, including small- and medium-sized enterprises (SMEs) and craftsmen.

With our largest customers, we negotiate framework agreements establishing pricing policies for our equipment. These agreements typically have a duration of 12 months but do not include exclusivity or volume commitments. Smaller and more localized customers are typically subject to our standard terms and conditions. While rental rates and pricing guidelines are established centrally, branches negotiate directly with their customers and generally have flexibility to make certain price adjustments as needed.

We monitor counterparty risk, particularly in respect of our smaller customers, and are attentive to signs of liquidity problems among our customers so that we can react quickly if needed, leveraging our internal recovery and collection teams to follow up on any overdue bills. Despite the impact of the COVID-19 pandemic, our bad debt ratio (which we define as provisions for overdue receivables, plus irrecoverable amounts, as a percentage of revenue) remained low at 0.55% of our revenue at September 30, 2021.

Sales and Marketing

We have a strong sales and marketing organization, which we believe allows us to expand our customer base and maintain loyalty with existing customers. Our sales and marketing organization operates at three levels: (i) locally, at the branch level; (ii) regionally, through commercial managers operating under the regional managers; and (iii) centrally, through our dedicated sales and marketing team. Branch managers and regional commercial managers develop relationships with local customers and assist them in planning their equipment and rental requirements, while our centralized sales and marketing team works with our largest customers and targets new customers to identify their needs and propose comprehensive solutions. In addition, we maintain an in-house call center staffed only with experienced sales staff, providing additional points of contact for our customers.

To stay informed about local markets, sales agents track rental opportunities in the area through industry reports and local contacts. In addition, our specialist branches, due to the nature of the equipment they supply, are often in contact with customers at the early phases of large construction or civil engineering projects, which we believe helps build our market intelligence to identify opportunities for cross-selling and cross-promotion that also benefit our generalist branches. We also offer training programs for our customers at all of our branches, which we believe improves customer satisfaction and loyalty.

We have also implemented marketing and service initiatives at a centralized level to prioritize strong relationships with our customers. These initiatives include:

- dedicated call centers that provide a 24/7 one-stop service to clients by phone and coordinates order fulfillment through our branches, with guaranteed equipment availability. This service is targeted to our larger clients that need to source equipment in a number of locations and prefer centralized handling of their accounts;

- offering in certain larger cities logistics support through the centralization of transport services as well as onsite repair services available 24 hours a day, seven days a week;

- providing training and certain certifications to employees from our customers;

- loyalty programs, including our specialty programs such as Loxam Club, which targets SMEs; and

- worksite logistics and planning.

We also leverage our quality, safety and environmental certifications, including ISO 14001 for environmental commitment, ISO 9001 for management quality and ISO 45001 and MASE for employee health and safety in France, which we believe define our key business processes, responsibilities, policies and principles, and are factors used by some of our larger customers in selecting their rental partners. In 2020, we once again obtained the highest certification level from EcoVadis, an independent rating agency. EcoVadis awarded us a Gold label, meaning that we ranked among the top 5% of companies assessed by EcoVadis in terms of ESG achievements.

We have issued a brochure called “Responsible Rental” providing information about our corporate responsibility initiatives. For four consecutive years, the quality of our customer service received recognition in France through the “Customer Service of the Year” award in the “Equipment Rental” category. This award recognizes the very best in customer care and was earned following anonymous surveys. This standard is reported as covering most of the criteria from ISO 18295-1, which provides a framework for providing customers with services that continuously and proactively meet or exceed their needs.

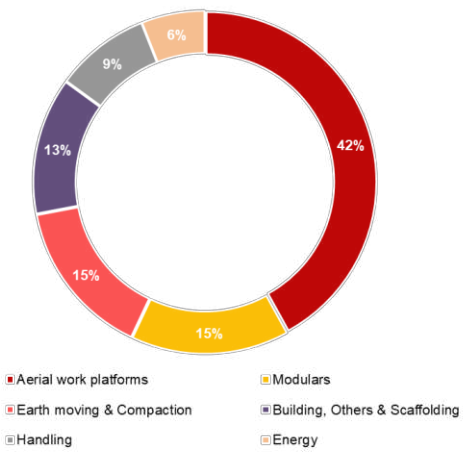
Rental Fleet

We have a well-maintained fleet consisting of approximately 650,000 pieces of equipment (excluding accessories) as of September 30, 2021. We strive to offer a large variety of equipment and we believe that our rental fleet is one of the most extensive fleets in the European market, representing approximately 2,000 different types of generalist and specialist equipment and tools (excluding accessories). All of the equipment in our fleet is either branded and painted in Loxam colors or those of the relevant business unit. As of September 30, 2021, our fleet had a gross book value of €4.5 billion.

Our combined fleet is composed of the following principal equipment ranges and equipment types:

- earth moving: excavators, backhoes, loaders, dumpers;
- aerial work platforms: booms, scissors, van mount, truck mount, lifts, tower cranes and hoists;
- handling: forklifts and tele-handlers;
- compaction: compactors, rammers, rollers;
- energy: compressors, generators, chillers, heaters;
- modular: modular spaces, containers;
- building and other: concrete mixers, scaffolding, pumps, tools and other equipment, such as trucks and traffic management;
- scaffolding; and
- hand tools such as jackhammers and power drills.

A breakdown of our fleet’s replacement value by type of equipment as of June 30, 2021 is presented below.



Fleet Management

Our approach with respect to fleet management is to provide regional and branch managers with wide autonomy to develop their business and manage their own equipment with the objective of maximizing its own profitability, but with central fleet managers able to monitor and assist in fleet management across branches and regions and to ensure overall efficiency. Managers of our generalist branches are encouraged to maintain and rent a diverse and balanced portfolio. Large customer orders may require cooperation among branches to provide the quantities required, but equipment is not pooled at the regional or group level. If a branch is unable to answer its own demand for a major construction site, for example, it notifies the regional manager. The regional manager then decides whether to temporarily grant equipment to other branches. If the request is approved, the regional manager notifies the branches concerned and the relevant equipment is transferred from one branch to the other for the required duration. We believe this approach helps to ensure that each branch acts as its own profit center.

Our budget for fleet investment is established annually by management, which sets out our orientation in terms of capital expenditure for the year. The investment budget is then allocated by region. Each branch manager gives his or her equipment needs (the number and types of machines) for the coming year to the regional manager. Regional managers, in consultation with branch managers, set commercial objectives and adapt the requests to the budget, allowing them to respond to trends at the local level. The consolidated requests are given to our management for review, which makes any required adjustments and delivers approvals to the regional managers. Purchase orders are then centralized and new equipment is delivered directly to the branches.

Our approach to fleet management assumes the replacement of a fleet item upon the expiration of its useful rental life, which is usually when it is obsolete or no longer capable of generating revenue in excess of maintenance costs. Most of the equipment in our fleet is depreciated on a straight-line seven-year basis, while a residual value of 10% of the original cost is kept in our books. Larger and higher reaching equipment and machines are depreciated on a straight-line ten-year basis with a 10% residual value. The disposal of a piece of equipment from the fleet is a technical decision made by a technical manager at the regional level. We have established metrics and guidelines for each category of equipment that help determine the desired replacement cycle. We determine whether to use equipment that has been removed from our fleet for parts, sell it for scrap or sell it at auction. We ensure that auction sales of our used equipment are made to buyers outside of our principal markets, which avoids the risk of reducing demand for rentals in the areas where we operate.

We monitor fleet utilization and other metrics to measure branch performance and maintain appropriate inventory levels and to manage fleet allocation across our networks as well as capital expenditures.

Maintenance and daily checks of equipment in the fleet are performed at each branch. Minor repairs and parts replacement, such as windshields, tires and hydraulic fittings, are outsourced to approved specialized suppliers, while major repairs are performed by manufacturer-approved dealers.

We invest heavily in hybrid and electric equipment to advance the transition towards a more environmentally-friendly fleet. All-electric loaders and excavators, and 20 meters hybrid powered articulated MEWPs all help to reduce the carbon impact and noise pollution of our fleet while improving safety and the health of those who use our equipment. As of December 31, 2020, 67% of our equipment used a combustion engine, 20% of our equipment used electric or hybrid motors and 13% of our equipment did not have a motor. Our capital expenditure for 2021 targets a purchase of 25% of green equipment, and we intend to devote a greater percentage of our future capital expenditure to green equipment in future years.

Suppliers

We purchase the equipment in our rental fleet from large, recognized original equipment manufacturers who we believe have the best product quality and support, and we typically choose to work with two or three manufacturers per equipment range. We have no long-term agreements with our fleet suppliers and no volume commitments or exclusivity clauses apply to these relationships. We do not believe we are dependent on any key supplier. Furthermore, we typically bundle our purchases and solicit bids through a tender process with selected manufacturers. We believe this policy towards our fleet suppliers allows us to apply competitive pressure and optimize the prices we pay for our fleet equipment. We also work in cooperation with our suppliers to adapt our fleet equipment to client needs and limit maintenance costs. We remove all manufacturers' branding from our equipment and paint it according to our corporate colors, under which it will be offered to customers.

We also purchase goods and services, principally non-fleet vehicles and equipment, fuel, lubricants, insurance and transportation, as well as the goods sold in our retail activities, from a number of third-party suppliers. Our arrangements with service suppliers are typically governed by two- or three-year framework agreements.

Our Network of Branches

As of September 30, 2021, we had a network of 1,064 branches, primarily located in Western Europe. The table below shows the number of branches we operate in each country or region:

Country	Branches
France	489
Sweden	86
Finland	58
Poland	47
Spain	47
The Netherlands	42
Denmark	38
Norway	33
United Kingdom	32
Germany	32
Brazil(1)	19
Italy	17
Belgium	17
Latvia	18
Estonia	16
Lithuania	15
Czech Republic	13
The Middle East(2)	13
Slovakia	12
Switzerland	7
Ireland	4
Morocco(3)	4
Portugal	3
Colombia	1
Luxembourg	1
Total	**1,064**

(1) We are present in Brazil through Degraus, which operates primarily in the state of São Paulo. Following share capital purchases, we currently have a 50.1% stake in Degraus.

(2) We are present in Bahrain, Kuwait, Oman, Qatar, Saudi Arabia and the United Arab Emirates following the Lavendon Acquisition. We operate in each of these countries through joint ventures in which we hold a majority share and have full operating control.

(3) We are present in Morocco through our subsidiary Atlas Rental, in which we have a 51% stake and full operating control.

Our business model combines a centrally-determined strategy, budget and back-office with wide autonomy for regional and branch managers to develop their business and spend their budget allocation, which allows us to adapt at the local level to meet our clients' needs in different markets. Each branch manages its own fleet, budget and financial reporting and is responsible for bringing in business by developing local relationships and monitoring local construction sites. Branches serve as a continuous source of information about the latest market opportunities, such as planned construction projects, allowing us to offer our services early and to the right client. A typical branch includes a branch manager, a rental consultant, a sales representative, one or more mechanics and one or more drivers. At the regional level, technical managers, commercial managers and administrative managers support the branches in their region, under the oversight of a regional manager. Our branches are deeply embedded in the local markets in which they operate, and we emphasize building and maintaining close relationships with clients at the local level. Our decentralized business model allows us to adapt our equipment fleet at the branch level in order to meet our clients' needs in various markets, offering them a value-added alternative to owning and maintaining equipment in-house. Our dense network in several markets allows us to meet customer demand by moving equipment across branches.

Our branch network is dynamic, and in any given year we both open and close a number of branches. The decision to open a branch is driven by our analysis of the interaction of the proposed branch with our existing network, the conditions in the local market and the competition in that market. Whether we open a new branch or acquire an existing network depends on the level of saturation in that market and whether acquisitions can provide us a level of penetration that would take too long to develop organically. Branches may be merged or closed based on the market environment (if, for example, a large construction project concludes or an industrial site closes) or excess proximity to another branch following an acquisition. Closures have also resulted from the consolidation of branches. We may also relocate branches in light of the development of cities, the evolution of infrastructure or to optimize our geographical coverage.

We implement periodic network optimization plans to enhance the profitability of our network through better coordination of commercial activities and capital expenditures, pooling of resources, and improved exchanges of staff and equipment among branches, savings in back office and marketing costs, and enhanced branch positioning.

Most of our branches are located in France. Of our 489 branches in France as of September 30, 2021, 411 were generalist branches and 78 were specialist branches. Our branches are typically located in industrial zones in or near medium and large metropolitan areas. Our broad geographical coverage in France reduces our exposure to regional variations in economic activity. Our Generalist branches in France operate under the Loxam Rental name. Our Specialist branches operate under the names Loxam Access (43 branches), Loxam Power (15 branches), Loxam Module (10 branches), Loxam Laho TEC (2 branches), Loxam TP (6 branches), Loxam Access PL (1 branch) and Event (1 branch).

In the Nordic countries, we operate a dense network, with 215 generalist and specialist branches as of September 30, 2021, including 86 branches in Sweden, 58 branches in Finland, 38 branches in Denmark and 33 branches in Norway. This coverage has contributed to our market-leading positions in Finland, Norway and Sweden and a number two position in Denmark. We operate in these countries under the Loxam and Ramirent brands.

In the United Kingdom, Spain, the Benelux and Switzerland, we also benefit from a strong footprint, reinforcing our strong competitive positioning and allowing us to compete at a national level. In the other countries around the world in which we are present, we generally compete at the regional level. Our branches operate under the Loxam, Lavendon, Hune, Nacanco, Degraus and Swan Plant Hire brands.

Employees

Over the nine months ended September 30, 2021, we had on average 11,002 employees, nearly all of which were salaried personnel, including 4,416 employees in France, 2,674 employees in the Nordic countries and 3,912 employees in the rest of the world.

Our employees perform the following functions, amongst others: sales operations, parts operations, rental operations, technical service and office and administrative support.

Developing quality rental equipment staff is one of our priorities and staff training plays a key role in ensuring a consistent customer experience across our branches and the adoption of common internal procedures. Our group-wide training center is available to all members of our staff and provides training in areas such as customer relations, sales methods, group processes, regulation, quality and environmental management, technical expertise and management.

Information Technology

Our IT strategy is designed to reinforce our overall business strategy, and in particular, to optimize the management of our fleet and improve synergies as we expand our network. Our IT teams in France and the United Kingdom maintain our hardware and service the software we use. We use several ERP systems, including Rentalman, L-Vis and Navision, all of which specialize in rental activity.

We are constantly working on the safety of our IT systems. We have a disaster recovery program to protect most of our operations and IT systems, including our ERP systems, which includes duplicate synchronized back-ups of our servers hosted by a third party.

Our digital innovations, which aim to reinforce our status as a preferred supplier, were improved in 2019. During the solution design phase, branch employees and IT project teams were called upon to invent and design new specialist applications. Subsequently, a team of 50 specialists from our network were mobilized for the training, coaching and branch deployment phases of these applications. More than 1,500 employees were thus involved in these specialist applications during the past year. This program was capped by a bimonthly "Digital Group" newsletter sent out to all of our employees.

Moreover, our websites have improved to offer new content and become more user-friendly, for example by now allowing users to book their equipment online. By creating a personal and secure space for clients available 24/7 (MyLoxam), customers can place their orders and seamlessly monitor their contracts. Finally, an EDI (electronic data Interchange) allows us to send paperless invoices directly into the client's system. In France, 1 million paperless invoices were sent in 2020, representing approximately 40% of the total number of invoices issued.

Intellectual Property

We use several trademarks, mainly including "Loxam", "Ramirent", "Nationwide Platforms" and "Hune" brands, all of which enjoy high brand recognition in their home markets. "Loxam" is protected in the countries where we do business, including France and the other members of the European Union.

ESG

Corporate social responsibility is at the core of our operations and we believe that our achievements and level of commitment in this area set us apart from our competitors. Our ESG initiatives are structured around five pillars – local establishment and development, safety, environmental protection, employee development and professional ethics – and are established and overseen by an organizational structure designed to ensure coordination on a Group-wide basis while providing for local business unit-based initiatives.

Our ESG Initiatives

We have established a five-pillar approach to ESG initiatives throughout our Group.

Make our widespread establishment an opportunity for local communities

We are proud to today be the European leader in the rental of equipment and tools for professionals, but even prouder to contribute locally to the creation of value in each of our locations. Over the years and throughout our development, we have become a true facilitator of responsible growth. Every day, we are active in the communities in which we are present, through our recruitment, our procurement policy and our participation in large-scale local projects and rising to the challenges of tomorrow.

We seek to support the development of the local economy by giving our branches plenty of latitude to promote and make use of skills available locally. Our business revolves around a dense network of branches open to a wide variety of clients: companies, local authorities, private companies of all sizes, non-governmental organizations, young people, jobseekers and others. We strive to give leeway to our branches, both in terms of recruitment and in the use of local suppliers for certain services (for example, for logistics, equipment repair and other on-site services) to help support a special and close relationship with local communities while providing an excellent quality of service. In 2020, 50% of the equipment we procured for our French operations was manufactured and assembled in France. In addition, 30% of our suppliers for our French business were small and medium enterprises. We also are a major direct employer. Through our use of external services, it is estimated that approximately three full-time equivalent (FTE) jobs are maintained in the communities in which we operate. We are particularly proud to provide these regional jobs in line with our circular economy model.

We also seek to support our communities by providing high quality customer service. This is borne out by our commitment to a continuous improvement approach, which can be measured in particular by our Net Promoter Score, which has improved from 37 in 2018 to 45.7 in 2019 and 60.4 in 2020. This commitment to serving our clients revolves around two pillars:

- a close relationship through our network of branches which is closely attuned to customer needs, and a genuine relationship of trust between our teams and our partners; and

- an increasingly digitalized service through the deployment of an omni-channel dematerialized journey offering availability 24 hours a day, seven days a week, due in particular to our online customer portal, MyLoxam and our customer service hotline, LoxCall. In 2020, we achieved our target of issuing over 1 million paperless invoices to our customers.

Finally, we also seek to contribute to the general interest of the communities in which we are present. It We support actions that have a social, community and environmental benefit through initiatives sponsored by our network. Our corporate patronage policy is centered around two themes: the development of professional culture (such as teaching and apprenticeships) and the preservation of heritage. For example, in 2020, we contributed to the reconstruction of Notre Dame cathedral in Paris through a corporate patronage agreement to equip the storage center for its works of art. We also entered into a partnership agreement with the French chapter of WorldSkills, the largest trade skills competition in the world open to young professionals.

Guarantee safety, anytime and anywhere

For more than 50 years, we have been keenly aware of how much safety is a crucial issue in the equipment rental sector by its very nature. In addition to focusing on raising awareness and training our teams, we pay continuous attention to the safety problems encountered and adopt a proactive attitude so that we can anticipate risks and stimulate innovation. At the same time, we place our know-how at the disposal of our clients and suppliers, as illustrated by our annual Safety Meetings. Our approach therefore consists of making safety one of the fundamental elements of our commitments, in accordance with a very specific rule applied throughout our Group: "Safety, anytime and anywhere."

We seek to guarantee the safety of our employees through a safety policy based on:

- a robust process for the welcoming and induction of new employees,
- the provision of PPE to all, renewed as frequently as necessary to meet legal safety standards;
- user-friendly work tools suited to the tasks to be performed;
- clear work procedures to enable people to work in total safety;
- the continuous training of employees in machinery use, working rules and safety rules applicable in branches, on the road and on our clients' worksites;
- an assessment by each of our branches of occupational risks, translated into local safety plans to continuously improve our employees' and our subcontractors' working conditions;
- the formulation of a risk prevention plan for each our duties on the worksites of our clients;
- periodical technical inspections performed by trusted and certified third-party technicians;
- monthly quarter-hour safety meetings in every branch;
- dedicated safety-based communication;
- established partnerships with industry safety organizations; and
- requiring our subcontractors to adhere to our safety rules.

In 2020, our workplace accident frequency rate, which we define as the number of accidents in the workplace divided by the number of hours exposed to risk, multiplied by 1,000,000, declined for the third year in a row, dropping from 27 in 2018 to 24.13 in 2019 and 21.18 in 2020. Our workplace accident severity rate, which we define as the number of calendar days actually lost due to workplace accidents divided by the number of hours exposed to risk, multiplied by 1,000, has remained below the sector average of 2.1 over the past three years, at 1.3 in 2018, 1.09 in 2019 and 1.21 in 2020.

We also seek to offer ever safer and more reliable equipment through collaborative innovation with our suppliers. If we detect new equipment needs, we suggest to manufacturers that the incorporate new options. When requested by our suppliers, we place our user experience at their disposal to improve their machines.

Finally, we seek to ensure our customers' safety by keeping them informed as to how our equipment works, including through notices, safety recommendations that are regularly posted in branches or freely available video tutorials on the LoxamCorporate YouTube channel.

Take action to protect the environment

Our business model, based on the sharing economy, is intrinsically formed around the principles of the circular economy. Beyond the business model, ecological attention is paid to each of our operating phases: from facility and waste management to the recovery of machines at the end of their technical life, without forgetting our transport logistics and the choice of the equipment that makes up our fleet. In 2020, with the help of the Carbone4 consultancy, we calculated the carbon footprint for all our emissions, both direct and indirect. This exercise reinforced two priorities: our ambition to build a path to reduce all of our emissions in order to be in line with the Paris Climate Agreement, and the will to be motivational and to propose, as of now, equipment with alternative energy to our customers. In furtherance of these priorities, we have recently pledged to cut our direct emissions by 50% and our indirect emissions by 30% by 2030 compared with 2019. In step with the Paris Climate Agreement, these targets enable us to contribute to keep global warming within the ambitious target of 1.5°C. Our aim is to be acknowledged by our stakeholders as a leading player in our market with regard to the three R's: Reuse, Reduce, Recycle. Our commitment to this was certified ISO 26000 level 3 in 2015, and we remain to this day the only company in our sector with this grade.

Contribute to the development of our people

Equipment rental is a service business based on the human qualities of our staff and the relations we maintain with our clients. Today, we are committed to strengthening the foundations of our social policy for all employees, thus providing each Loxamian with the framework for real well-being at work, which is more important than ever during this pandemic-hit period. And because we firmly believe in the wealth of diversity, we act in favor if the inclusion of all profiles in our various job disciplines.

Demanding standards, passion for their job, the willpower to progress and innovate are all values shared within our Group. As a source of cohesion and engagement for our all teams, this corporate culture is based on cordial relations between all internal and external stakeholders. The COVID-19 crisis led to the emergence of a powerful solidarity which has revealed the values of our employees and our pride of belonging to Loxam.

Lead by example in corporate governance and ethics

Becoming a "responsible rental company" is an immutable requirement at Loxam, founded on six main pillars:

- an uncompromising ethical attitude;
- priority given to the rules of good business practice;
- respect for healthy and fair competition;
- respect for fundamental rights;
- the development of dialogue with our stakeholders;
- transparent governance to strengthen our performance.

We demand this behavior and attitude not only from our employees, but also throughout our value chain and especially from our suppliers. Our responsible procurement charter, to which our main suppliers are subject and by which they are assessed, bears witness to our desire to involve an entire ecosystem around these principles.

Our French ESG Key Performance Indicators

The below table summarizes certain of the key performance indicators that we track in our French business for the past three years, together with the associated ESG pledge.

Pledge	Key Performance Indicator	2020 Objective	Results		
			2018	2019	2020
Widespread local establishment as an opportunity	Net Promoter Score	Annual increase and to be elected "Customer Service of the Year"	37	45.7	60.4
	Digital invoices issued (in millions)	Greater than 1 million		0.9	1.0
	Nationwide charitable contributions	At least one contribution	Done	Done	Done
Guarantee safety	Work accident frequency rate	Less than 30	27	24.13	21.18
	Work accident severity rate	Less than 1.3	1.3	1.09	1.21*
Environment	% of certified ISO 14001 branches	100%	100%	100%	100%
	Carbon footprint scopes 1 & 2 (kT CO_2 emissions)	Reduction path being defined	N/A	36	N/A
	Carbon footprint scope 3 (kT CO_2 emissions)		N/A	554	N/A
Development of our people	% of permanent contract employees	Greater than 90%	96%	96%	96%
	% of student apprentices	Greater than 3%	3%	3%	3.5%

Pledge	Key Performance Indicator	2020 Objective	Results 2018	2019	2020
	% of employees under 25 years old	Greater than 5%	8%	8%	9%
	% of employees above 50 years old	Greater than 20%	24%	25%	26%
	% of women employees	Greater than 20%	21%	22%	20%
	Number of nationalities	Greater than 20	41	46	48
	% of employees promoted within a year	Greater than 10%	11%	13%	8%**
	Total turnover rate	Less than 15%	16%	16%	14%
Ethics and responsible procurement	% of employees who have received our ethics charter and whistleblowing procedure	100%	100%	100%	100%
	% of suppliers concerned by the Responsible Procurement Charter	At least our Top 30 suppliers	0	100	100
	Suppliers audited on ESG criteria by Loxam	At least our Top 30 suppliers		Done	Done

*Increase due to sick leave for complications arising several years after the accident occurred.
** In 2020, we did not reach this objective, due to the health crisis and periods of furlough.

Our ESG Organizational Structure

In 2020, we established a new Group-wide organizational structure to develop and implement ESG initiatives. Our Executive Committee, as part of its oversight of our strategy, is the governance body responsible for the management and oversight of ESG matters for our Group. We have also established a Group ESG department to oversee our ESG policy in each of our business units, coordinate efforts across our Group, measure performance within the framework of non-financial reporting and carry out external communications on ESG matters. This department also supports our various operational divisions depending on their requirements. The Group ESG department reports to our Foresight & Development Department, whose director sits on the Executive Committee. We also have established a ESG department or ESG points of contact in each of our business units, which is responsible for drafting the operational action plan addressing each of our ESG pillars and for the concrete implementation of actions. On a quarterly basis we hold ESG committee meetings, including a member of the Executive Committee, our ESG department and the ESG points of contact in each business unit, in order to link initiatives, share experiences and manage our non-financial performance.

Insurance

We maintain the types and amounts of insurance customary in our industry and countries of operation. Our group insurance policies, which may be supplemented locally in certain countries where we operate, comprise, in particular, our automotive fleet policy, civil liability policy, multi-risks industrial policy, direct or indirect loss crime, cybersecurity and data policy and include coverage for, among other things, employee-related occupational accidents and injuries, property damage, fraud, theft of vandalism of equipment, machinery break-down, and damage and injury that could be caused to third parties by poorly-maintained equipment. We have also subscribed to directors and officers insurance. We consider our insurance coverage to be adequate both as to risks and amounts for our business. We have not had any material claims that were not covered under our insurance policies.

Legal Proceedings

We are party to certain pending legal proceedings arising in the ordinary course of business. We cannot estimate with certainty our ultimate legal and financial responsibility or obligations with respect to such pending matters. See "*Risk Factors—Risks Related to our Business—We are exposed to various risks related to legal proceedings or claims that may exceed the level of our insurance coverage*." Based on our examination of these matters and the provisions we have made, we believe that any ultimate liability we may have for such matters will not have a material adverse effect on our business or financial condition.

MANAGEMENT & GOVERNANCE

Pursuant to French law governing limited liability companies (*sociétés par actions simplifiées*) and our articles of association (*statuts*), our affairs are managed by our Chairman and Chief Executive Officer (*président*), who is assisted by the Managing Director and consults our Strategic Committee (*comité stratégique*) on the Group's performance and development related matters. In 2019, as a result of the international expansion of the Group, an Executive Committee was created by our Chairman in order to coordinate and implement our strategy for the entire Group and to monitor the Group's business model key developments, which include, but are not limited to, the Group's corporate social responsibility, social affairs, reporting and digital and technological development.

Chairman and Chief Executive Officer

Our Chairman and Chief Executive Officer is Mr. Gérard Déprez, who has held this position since 1986. Before joining Loxam, Mr. Déprez was regional director of the building materials manufacturer SOCIMAT from 1983 to 1986 (now part of the Saint-Gobain Group), and vice president of finance of Ciments d'Origny Group (part of the Holderbank Group, also in the building materials industry and now part of Holcim) from 1978 to 1983. Mr. Déprez also held the position of Chairman of the Board of the European Rental Association from 2005 to 2013. He holds a business degree from EM Lyon, as well as a degree in law and is a chartered accountant.

The Chairman and Chief Executive Officer has broad powers to act on our behalf in any circumstances, as limited by the corporate purposes set out in our articles of association and the powers expressly reserved for the general meeting of shareholders by law or by our articles of association, to represent and bind us in dealings with third parties, to manage and administer our affairs and has full management powers in respect of the employees of the company. Our Chairman and Chief Executive Officer is appointed by our shareholders and may be dismissed by the shareholders at any time.

Managing Director

Our Managing Director is Mr. Stéphane Hénon, who has held this position since July 2012. Mr. Hénon joined Loxam in 2000 and previously held the positions of Director for Ile de France (2000-2001) and Chief Operating Officer (2001-2012). Before joining Loxam, Mr. Hénon was the director of building activities at Dagard, an industrial company, from 1996 to 2000, and, prior to that, an associate consultant at Axionis, a consulting company, from 1995 to 1996. He holds a degree from Ecole Supérieure d'Electricité (SUPELEC).

Pursuant to the Articles of Association of Loxam, the Managing Director has broad powers to act on our behalf in any circumstances, as limited by the corporate purposes set out in our articles of association and the powers expressly reserved for the general meeting of shareholders by law or by our articles of association, to represent and bind us in dealings with third parties and to manage and administer our affairs and has full management powers in respect of the employees of the Company. Our Managing Director is appointed by our shareholders for a term of three years and may be dismissed by the shareholders at any time.

Executive Committee

The Executive Committee comprises eight committee members: the Group Chairman and CEO, the Managing Director, the Managing Directors of our French operations, the two CEOs of the International division, the Group Chief Financial Officer and the Corporate Strategy and Development Director. Each member is in charge of a cross-Group function: ESG, social affairs, reporting and digital, among others. The Executive Committee meets every two months.

The following table sets out the members of the Executive Committee:

Name	Position
Gérard Déprez	Chairman and Chief Executive Officer
Stéphane Hénon	Managing Director
Olivier Grisez	Managing Director, Generalist France
Philippe Simonnet	Deputy Managing Director, Specialist France
Paul Rankin	Chief Operating Officer, Powered Access division
Erik Bengtsson	CEO, Ramirent
Alice Henault	Director, Corporate Strategy and Development
Patrick Bourmaud	Chief Financial Officer

The following is a brief description of the experience of each of the members of the Executive Committee. A brief description of the experience of Gérard Déprez and Stéphane Hénon can be found under "*—Chairman and Chief Executive Officer*" and "*—Managing Director*," respectively.

Olivier Grisez. Mr. Grisez is the Managing Director of our Generalist France division. He joined Loxam in June 2018. Before joining Loxam, he held leadership positions in B2B operations at the Saint Gobain group and most recently Ivalis, where he was the CEO. He holds engineering degrees from the École Polytechnique and the École Nationale des Ponts et Chaussées.

Philippe Simonnet. Mr. Simonnet is the Deputy Managing Director of the Group's Specialist France division. He has held various management positions with Loxam since 1998, first as Area Manager, then as Business Unit Manager (Loxam Access and Laho). He was appointed Chief Operating Officer in 2012. Before joining Loxam, he worked at Serre & Ansot Location, a French equipment rental company, from 1986 until 1998, first as Branch Manager, and then as Area Manager for the Paris region. He holds a baccalaureate diploma in science.

Paul Rankin. Mr. Rankin is the Chief Operating Officer of the Powered Access division. Mr. Ranking joined the Lavendon group in 2014 as Managing Director of Rapid Access based in the United Arab Emirates before moving to his current position in 2020. Prior to joining Lavendon, Mr. Rankin spent 10 years in Dubai working for Johnson Controls, where he served as Regional Executive Director for the Middle East region. He holds a Bachelor of Engineering (Honours) in Building Services Engineering from Glasgow Caledonian University, as well as a Masters in Business Administration from Strathclyde University.

Erik Bengtsson. Mr. Bengtsson is the CEO of Ramirent Ltd. Previously, Mr. Bengtsson held the position of Executive Vice President of Sweden at Ramirent, with responsibility over the group's fleet and sourcing. Mr. Bengtsson has a strong track record in the equipment rental industry, having previously been a member of Ramirent's board of directors from March 2017 to August 2018 and having held various senior managerial roles in the industry since 2005.

Alice Henault. Director of our Corporate Strategy and Development department, Mrs Henault previously held the position of Director of Loxam Access. Prior to joining Loxam in 2013, she worked as an analyst with PricewaterhouseCoopers in Paris (2007-2011). She holds an MBA from Harvard Business School, an MPhil in Technology Policy from the University of Cambridge and a Master of Science from Ecole Nationale Supérieure des Télécommunications.

Patrick Bourmaud. Mr. Bourmaud has been Chief Financial Officer since 2008. Mr. Bourmaud has been with Loxam since 2004, first as M&A Director (2004-2005) and then as Regional Director (2005-2007). Before joining Loxam, he worked for HSBC in the M&A and equity capital markets departments (1994-2004). He holds a finance degree from Ecole Supérieure de Commerce Paris.

The business address of the members of the Executive Committee is Loxam, 256, rue Nicolas Coatanlem, CS 90592, 56855 Caudan Cedex, France.

Strategic Committee

Our Strategic Committee, which acts as an advisory body, is currently composed of nine members, including the Chairman and the Managing Director. Our articles of association provide that the Strategic Committee may consist of up to 12 members who may or may not be shareholders and who are appointed by the general meeting of shareholders. Members of our Strategic Committee (other than the Chairman) are appointed for terms of three years by the ordinary general meeting of shareholders and may be dismissed by it without cause and at any time prior to the expiration of their term.

The Strategic Committee meets at least four times a year and is convened by the Chairman or the CEO. Its role is to assist and advise the Chairman on questions relating to our development strategy, the business plan, external growth transactions and any other question submitted to it by the Chairman.

Pursuant to our articles of association, shareholders may designate one or more persons (which may or may not be shareholders) as censors (*censeurs*) of the Strategic Committee. Censors participate in Strategic Committee meetings, but have no voting powers. As of the date of this listing prospectus, no censors are appointed.

The following is a brief description of the experience of the members of the Strategic Committee.

Hélène Bouchache-Déprez. Mrs. Bouchache-Déprez is an accredited architect and a partner at Studios Architecture in Paris. Mrs. Bouchache-Déprez holds a Masters degree and a professional degree from École Nationale Supérieure d'Architecture Paris, Val de Seine.

Jean-Pierre Créange. Mr. Créange was a founding Partner and Managing Director of Sparring Capital, a private equity firm he co-founded in 2002. Having started his career in the aeronautic sector and in the banking sector, Mr. Créange held positions with the investment firms Unidev and UI. He holds degrees from the Ecole Nationale Supérieure des Télécommunications and the Institut d'Administration des Entreprises.

Gilles Gramat. Mr Gramat was Partner and Chairman of the Supervisory Board at Sparring Capital, a private equity firm he co-founded in 2002. He began his career as an engineer for Avions Marcel Dassault, before joining Crédit National and later Sofinnova, where he served as Deputy Managing Director. In 1987, he founded Unidev, a listed investment company, which was acquired by UI in 1993. He was Chief Executive Officer of UI from 1993 to 2001 and then its Chairman and CEO from 2001 until April 2003. He was also Director of Investments and International Participations of Credit Agricole SA. Mr. Gramat is a graduate of the Ecole Nationale Supérieure des Télécommunications.

Jean-Pierre Letartre. Mr. Letartre is a former Managing Partner of EY in France and CEO Western European Region (France, Netherlands, Belgium, French-speaking Africa, Luxembourg and Maghreb). In September 2020, he was elected President of "Entreprises et Cités" and IRD Group. He is also a board member of three family-owned companies. Mr. Letartre graduated with a DEA in Business Law, is a chartered accountant and a statutory auditor. Mr. Letartre is deeply involved in promoting entrepreneurship in France. In July 2013, he was appointed one of the ten "qualified members" of the Executive Board of the MEDEF (the French employers' organization).

Olivier de la Morinière. Mr. de la Morinière manages financial and real estate investments. He was formerly chairman and CEO of the truck rental company Fraikin. Previously, he was chairman and CEO of MC International, a consulting firm. Mr. de la Morinière holds a degree from Ecole Polytechnique de Paris and Ecole Nationale des Ponts et Chaussées.

François Varagne. Mr. Varagne is CEO of Ecore, the second-largest metal recycling group in France since 2017. Between 2012 and 2016, Mr. Varagne was CEO of Gras Savoye, a major insurance broker. Between 2001 and 2011, he was CEO of French natural gas distributor Antargaz, and prior to that, he was CEO of the transport group Keolis and of Brinks France, a division of the Brinks security group. He graduated from HEC and holds a degree in philosophy.

A brief description of the experience of Gérard Déprez and Patrick Bourmaud can be found under "—*Chairman and Chief Executive Officer*" and "—*Managing Director*," respectively, and a brief description of Alice Henault's experience can be found under "—*Executive Committee*."

Audit Committee

Our Audit Committee is currently composed of three members of the Strategic Committee, Jean Pierre Créange, Jean-Pierre Letartre and Olivier de la Morinière. All of the members of the Audit Committee are independent (i.e., not significant shareholders or representatives of significant shareholders of the Issuer). The role of the Audit Committee is to examine the financial statements of the Group prior to their presentation to the Strategic Committee. The Audit Committee also examines the risks faced by the business and meets with the Group's statutory auditors at least once per year. The Audit Committee meets at least two times per year, with the Group's CFO in attendance.

Remuneration and Appointment Committee

The Remuneration and Appointment Committee oversees the remuneration and appointment of the Group's senior executives. It meets at least once per year and is currently composed of four members: Jean-Pierre Créange, François Varagne, Olivier de la Morinière and Gérard Déprez.

Ethics Committee

Our Ethics Committee is made up of an independent member of the Strategic Committee, Olivier de la Morinière, and the Group's Ethics Officer. They meet at least once per year. The Group's Ethics Officer reports on any whistleblowing alerts received and how each of them was handled. The Ethics Committee reports to the Strategic Committee.

SHAREHOLDERS AND RELATED PARTY TRANSACTIONS

Shareholders

Our share capital comprises ordinary shares as well as Class A and Class B shares, all of which have the same voting rights. Pursuant to our articles of association, transfers of Class B shares are subject to the prior approval of holders of Class A shares in certain circumstances.

As of the date of this listing prospectus, our Chairman and Chief Executive Officer, Gérard Déprez, and his affiliates and family members together own 87.6% of our share capital. The table below lists our shareholders of ordinary shares, Class A and Class B shares as of the date of this listing prospectus

Shareholder	Number of shares	Percentage of share capital
Mr. Gérard Déprez and affiliates (1)	19,491,522	87.6%
Managers, employees, retired managers and others (2)	2,124,676	9.6%
FCPE Loxam (3)	539,795	2.4%
Treasury shares (4)	100,000	0.5%
Total	22,255,993	100.0%

(1) All of which are Class A shares held by Gérard Déprez, DPZ Partners SAS and certain members of the Déprez family. DPZ Partners SAS is a holding company controlled by Gérard Déprez. DPZ Partners SAS and certain members of Gérard Déprez's family have pledged 1,709,521 shares to secure personal financing agreements and other arrangements.

(2) All of which are Class B Shares.

(3) Shares held by Loxam employees indirectly through an employee fund, all of which are Class B shares.

(4) Represents shares held in treasury for a potential senior management retention plan. Vesting of the shares would be subject to the achievement of long-term financial targets. Shares not award within one year will be cancelled.

Other Securities Giving Access to our Share Capital

As of September 30, 2021, there are no other securities giving access to our share capital.

Related Party Transactions

From time to time in the ordinary course of our business we enter into agreements with certain of our affiliates for the provision of management and administrative services. These agreements are established on arm's-length terms and we do not consider them to be material.

On November 30, 2011, we entered into a management agreement with DPZ Partners, a company controlled by our Chairman and Chief Executive Officer, Gérard Déprez, pursuant to which DPZ Partners provides us with strategic, organizational, research and administrative assistance, as well as analysis on business development opportunities in France and abroad, and financial and legal advice. This agreement has a one-year term and is automatically renewed for successive one-year periods unless canceled by either party prior to the end of the term. Services provided under this agreement are invoiced to us on a "cost plus" basis. For the year ended December 31, 2020, we were invoiced €1.2 million under this contract.

SCI Ellipse, a wholly owned subsidiary of DPZ Partners, acquired Le Cap, an office building based in La Défense, on July 2, 2019. The Company entered into a ten-year lease agreement with SCI Ellipse in respect of the office building starting from January 1, 2020. The Company rents the entirety of the building (approximately 9,515 sq.m.) for an annual rent of €4.1 million and related taxes of €0.7 million.

DESCRIPTION OF CERTAIN FINANCING ARRANGEMENTS

The following is a summary of the material terms of our principal financing arrangements in addition to the Indentures after giving effect to the offering. The following summaries do not purport to describe all of the applicable terms and conditions of such arrangements and are qualified in their entirety by reference to the actual agreements. Capitalized terms used in the following summaries and not otherwise defined in this listing prospectus have the meanings ascribed to them in their respective agreements.

Overview

Following the completion of this offering, our outstanding indebtedness will include certain bilateral credit facilities for which the borrowers are either the Issuer or our subsidiaries, the Notes, the Existing Notes, the Revolving Credit Facility, the Nationwide Revolving Facility, certain state-guaranteed loans in France, Spain, Portugal, Italy and Switzerland, and the Commercial Paper Program.

Bilateral Credit Facilities

Most of our bilateral credit facilities have terms of five years with annual straight-line amortization. Interest on most of these loans accrues at the rate of one-, two-, three-, six- or twelve-month EURIBOR plus a margin. Most of our bilateral credit facilities include a limited number of covenants, including a limitation on our ability to incur liens and create security interests. Events of default under the bilateral credit facilities typically include non-payment of amounts due, breach of terms, payment default in respect of certain other obligations, and certain insolvency events affecting us or our significant subsidiaries.

Existing Senior Secured Notes

The 2024 Senior Secured Notes

On April 4, 2017, we issued €300,000,000 aggregate principal amount of 4.250% senior secured notes due 2024 (the “2024 Senior Secured Notes”). Terms capitalized and otherwise not defined in this section have the meanings given to them in the 2024 Senior Secured Notes Indenture (as defined below).

The 2024 Senior Secured Notes

The 2024 Senior Secured Notes mature on April 15, 2024. We pay interest on the 2024 Senior Secured Notes semi-annually on each January 15 and July 15, commencing July 15, 2017, at a rate of 4.250% per annum. The 2024 Senior Secured Notes are our general senior secured obligations (together with the other Existing Senior Secured Notes) and (i) are guaranteed by the Guarantors; (ii) are secured by a first-priority security interest in the Collateral; (iii) rank *pari passu* in right of payment with any of our existing and future obligations that are not expressly subordinated in right of payment to the 2024 Senior Secured Notes, including the Notes offered hereby and indebtedness incurred under the other Existing Senior Secured Notes and the Revolving Credit Facility; (iv) are structurally subordinated to all indebtedness and other liabilities (including trade payables) of our subsidiaries; and (v) are effectively subordinated to any of our and our subsidiaries’ existing or future obligations that are secured by property and assets that do not secure the 2024 Senior Secured Notes, to the extent of the value of the property and assets securing such obligations, including the Revolving Credit Facility, and additional indebtedness permitted under the 2024 Senior Secured Notes Indenture to be incurred and secured by assets other than the property and assets securing the 2024 Senior Secured Notes. The 2024 Senior Secured Notes are subject to the Intercreditor Agreement that governs the relative rights of certain of our creditors under our financing arrangements as described in “—*Intercreditor Agreement*” below.

We may redeem all or part of the 2024 Senior Secured Notes at any time on or after April 15, 2020 at redemption prices specified as percentages of the principal amount of 2024 Senior Secured Notes so redeemed. At any time prior to April 15, 2020 we may redeem all or part of the 2024 Senior Secured Notes at a redemption price equal to 100% of their principal amount plus accrued and unpaid interest and additional amounts, if any, to the redemption date, plus a premium equal to the greater of: (i) 1% of the principal value of the applicable note; and (ii) the excess of: (x) the present value at such redemption date of the redemption price of such note on April 15, 2020 (being 102.125% of the principal amount of the note) plus all required interest payments due on the note through April 15, 2020 (excluding accrued but unpaid interest to the redemption date), computed using a discount rate equal to the Bund Rate as of such redemption date plus 50 basis points; over (y) the outstanding principal amount of the applicable note.

Additionally, at any time and from time to time prior to April 15, 2020, during each 12-month period commencing on the issue date of the 2024 Senior Secured Notes, we may redeem up to 10% of the original aggregate principal amount of the 2024 Senior Secured Notes, at our option, at a redemption price of 103% of the principal amount of the 2024 Senior Secured Notes redeemed plus accrued and unpaid interest and additional amounts, if any, to the redemption date. In addition, at any time prior to April 15, 2020, we may redeem up to 45% of the aggregate principal amount of the 2024 Senior Secured Notes with the net proceeds from certain equity offerings at a redemption price equal to 104.250% of their principal amount, plus accrued and unpaid interest and additional amounts, if any, to the redemption date, provided that at least 55% of the aggregate principal amount of the 2024 Senior Secured Notes remains outstanding after the redemption and the redemption occurs within 90 days after the closing of such equity offering. Further, we may redeem all of the 2024 Senior Secured Notes at a price equal to their principal amount plus accrued and unpaid interest and additional amounts, if any, to the redemption date (subject to the rights of holders of the 2024 Senior Secured Notes on the relevant record date to receive interest due on the relevant interest payment date) upon the occurrence of certain changes in tax law. If we or certain of our subsidiaries sell certain of our assets or experience specific kinds of changes of control, we may also be required to make an offer to repurchase the 2024 Senior Secured Notes at specified redemption prices.

The 2024 Senior Secured Notes Indenture

The indenture governing the 2024 Senior Secured Notes (the "2024 Senior Secured Notes Indenture"), among other things, limits our ability and the ability of the Restricted Subsidiaries (as defined therein) to (i) incur or guarantee additional indebtedness or issue preferred shares, subject to incurrence-based tests (described below); (ii) make certain investments or other restricted payments; (iii) create liens; (iv) sell assets and certain subsidiary stock; (v) pay dividends or make other distributions or repurchase or redeem capital stock or subordinated debt; (vi) engage in certain transactions with affiliates; (vii) enter into agreements that restrict the payment of dividends by subsidiaries or the repayment of intercompany loans and advances; (viii) engage in mergers or consolidations; and (ix) impair the security interests in the Collateral. In order to incur additional indebtedness (other than specified permitted indebtedness) under the 2024 Senior Secured Notes Indenture, our Fixed Charge Coverage Ratio (as defined in the 2024 Senior Secured Notes Indenture) must be at least 2.00 to 1.00 and, in the case of additional Indebtedness that is Senior Secured Debt (as defined in the 2024 Senior Secured Notes Indenture), our Consolidated Senior Secured Leverage Ratio (as defined in the 2024 Senior Secured Notes Indenture) must be less than 4.00 to 1.00, in each case on a *pro forma* basis.

The 2024 Senior Secured Notes Indenture also allows us to incur up to €1.4 billion of indebtedness (including on a secured basis) under Credit Facilities (as defined therein). The 2024 Senior Secured Notes are deemed to be incurred under Credit Facilities and the Credit Facilities are deemed to be fully drawn for purposes of testing the 4.00 to 1.00 Consolidated Senior Secured Leverage Ratio. These covenants (including these incurrence-based tests) are subject to a number of important exceptions and qualifications.

The 2024 Senior Secured Notes Indenture provides for certain events of default, including, among others, defaults under other debt instruments that (i) are caused by the failure to pay principal of, or interest or premium, if any, on indebtedness at its stated maturity prior to the expiration of the applicable grace period provided or (ii) result in the acceleration of such indebtedness prior to its maturity, and, in each case, the principal amount of such indebtedness (together with the principal amount of any other such indebtedness under which there has been a payment default or the maturity of which has been accelerated) aggregates €20 million or more.

The 2024 Senior Secured Notes Indenture and the 2024 Senior Secured Notes are governed by the laws of the State of New York.

The April 2026 Senior Secured Notes

On April 11, 2019, we issued €300,000,000 aggregate principal amount of 2.875% senior secured notes due 2026 (the "April 2026 Senior Secured Notes"). Terms capitalized and otherwise not defined in this section have the meanings given to them in the April 2026 Senior Secured Notes Indenture (as defined below).

The April 2026 Senior Secured Notes

The April 2026 Senior Secured Notes mature on April 15, 2026. We pay interest on the April 2026 Senior Secured Notes semi-annually on each June 15 and December 15, commencing December 15, 2019, at a rate of 2.875% per annum. The April 2026 Senior Secured Notes are our general senior secured obligations (together with the other Existing Senior Secured Notes) and (i) are guaranteed by the Guarantors; (ii) are secured by a first-priority security interest in the Collateral; (iii) rank *pari passu* in right of payment with any of our existing and future obligations that are not expressly subordinated in right of payment to the April 2026 Senior Secured Notes, including the Senior Secured Notes offered hereby and indebtedness incurred under the other Existing Senior Secured Notes and the Revolving Credit Facility; (iv) are structurally subordinated to all indebtedness and other liabilities (including trade payables) of our subsidiaries; and (v) are effectively subordinated to any of our and our subsidiaries' existing or future obligations that are secured by property and assets that do not secure the April 2026 Senior Secured Notes, to the extent of the value of the property and assets securing such obligations, including the Revolving Credit Facility, and additional indebtedness permitted under the April 2026 Senior Secured Notes Indenture to be incurred and secured by assets other than the property and assets securing the April 2026 Senior Secured Notes. The April 2026 Senior Secured Notes are subject to the Intercreditor Agreement that governs the relative rights of certain of our creditors under our financing arrangements as described in "—*Intercreditor Agreement*" below.

We may redeem all or part of the April 2026 Senior Secured Notes at any time on or after April 15, 2022 at redemption prices specified as percentages of the principal amount of April 2026 Senior Secured Notes so redeemed. At any time prior to April 15, 2022 we may redeem all or part of the April 2026 Senior Secured Notes at a redemption price equal to 100% of their principal amount plus accrued and unpaid interest and additional amounts, if any, to the redemption date, plus a premium equal to the greater of: (i) 1% of the principal value of the applicable note; and (ii) the excess of: (x) the present value at such redemption date of the redemption price of such note on April 15, 2022 (being 101.438% of the principal amount of the note) plus all required interest payments due on the note through April 15, 2022 (excluding accrued but unpaid interest to the redemption date), computed using a discount rate equal to the Bund Rate as of such redemption date plus 50 basis points; over (y) the outstanding principal amount of the applicable note.

Additionally, at any time and from time to time prior to April 15, 2022, during each 12-month period commencing on the issue date of the April 2026 Senior Secured Notes, we may redeem up to 10% of the original aggregate principal amount of the April 2026 Senior Secured Notes, at our option, at a redemption price of 103% of the principal amount of the April 2026 Senior Secured Notes redeemed plus accrued and unpaid interest and additional amounts, if any, to the redemption date. In addition, at any time prior to April 15, 2022, we may redeem up to 45% of the aggregate principal amount of the April 2026 Senior Secured Notes with the net proceeds from certain equity offerings at a redemption price equal to 102.875% of their principal amount, plus accrued and unpaid interest and additional amounts, if any, to the redemption date, provided that at least 55% of the aggregate principal amount of the April 2026 Senior Secured Notes remains outstanding after the redemption and the redemption occurs within 120 days after the closing of such equity offering. Further, we may redeem all of the April 2026 Senior Secured Notes at a price equal to their principal amount plus accrued and unpaid interest and additional amounts, if any, to the redemption date (subject to the rights of holders of the April 2026 Senior Secured Notes on the relevant record date to receive interest due on the relevant interest payment date) upon the occurrence of certain changes in tax law. If we or certain of our subsidiaries sell certain of our assets or experience specific kinds of changes of control, we may also be required to make an offer to repurchase the April 2026 Senior Secured Notes at specified redemption prices.

The April 2026 Senior Secured Notes Indenture

The indenture governing the April 2026 Senior Secured Notes (the "April 2026 Senior Secured Notes Indenture"), among other things, limits our ability and the ability of the Restricted Subsidiaries (as defined therein) to (i) incur or guarantee additional indebtedness or issue preferred shares, subject to incurrence-based tests (described below); (ii) make certain investments or other restricted payments; (iii) create liens; (iv) sell assets and certain subsidiary stock; (v) pay dividends or make other distributions or repurchase or redeem capital stock or subordinated debt; (vi) engage in certain transactions with affiliates; (vii) enter into agreements that restrict the payment of dividends by subsidiaries or the repayment of intercompany loans and advances; (viii) engage in mergers or consolidations; and (ix) impair the security interests in the Collateral. In order to incur additional indebtedness (other than specified permitted indebtedness) under the April 2026 Senior Secured Notes Indenture, our Fixed Charge Coverage Ratio (as defined in the April 2026 Senior Secured Notes Indenture) must be at least 2.00 to 1.00 and, in the case of additional Indebtedness that is Senior Secured Debt (as defined in the April 2026 Senior Secured Notes Indenture), our Consolidated Senior Secured Leverage Ratio (as defined in the April 2026 Senior Secured Notes Indenture) must be less than 4.00 to 1.00, in each case on a *pro forma* basis.

The April 2026 Senior Secured Notes Indenture also allows us to incur up to €1.4 billion of indebtedness (including on a secured basis) under Credit Facilities (as defined therein). The April 2026 Senior Secured Notes are deemed to be incurred under Credit Facilities and the Credit Facilities are deemed to be fully drawn for purposes of testing the 4.00 to 1.00 Consolidated Senior Secured Leverage Ratio. These covenants (including these incurrence-based tests) are subject to a number of important exceptions and qualifications.

The April 2026 Senior Secured Notes Indenture provides for certain events of default, including, among others, defaults under other debt instruments that (i) are caused by the failure to pay principal of, or interest or premium, if any, on indebtedness at its stated maturity prior to the expiration of the applicable grace period provided or (ii) result in the acceleration of such indebtedness prior to its maturity, and, in each case, the principal amount of such indebtedness (together with the principal amount of any other such indebtedness under which there has been a payment default or the maturity of which has been accelerated) aggregates €35.0 million or more.

The April 2026 Senior Secured Notes Indenture and the April 2026 Senior Secured Notes are governed by the laws of the State of New York.

The 2025 Senior Secured Notes

On July 22, 2019, we issued €700,000,000 aggregate principal amount of 3.25% senior secured notes due 2025 (the "2025 Senior Secured Notes"). Terms capitalized and otherwise not defined in this section have the meanings given to them in the 2025 Senior Secured Notes Indenture (as defined below).

The 2025 Senior Secured Notes

The 2025 Senior Secured Notes mature on July 15, 2025. We pay interest on the 2025 Senior Secured Notes semi-annually on each June 15 and December 15, commencing December 15, 2019, at a rate of 3.25% per annum. The 2025 Senior Secured Notes are our general senior secured obligations (together with the other Existing Senior Secured Notes) and (i) are guaranteed by the Guarantors; (ii) are secured by a first-priority security interest in the Collateral; (iii) rank *pari passu* in right of payment with any of our existing and future obligations that are not expressly subordinated in right of payment to the 2025 Senior Secured Notes, including the Notes offered hereby and indebtedness incurred under the other Existing Senior Secured Notes and the Revolving Credit Facility; (iv) are structurally subordinated to all indebtedness and other liabilities (including trade payables) of our subsidiaries; and (v) are effectively subordinated to any of our and our subsidiaries' existing or future obligations that are secured by property and assets that do not secure the 2025 Senior Secured Notes, to the extent of the value of the property and assets securing such obligations, including the Revolving Credit Facility, and additional indebtedness permitted under the 2025 Senior Secured Notes Indenture to be incurred and secured by assets other than the property and assets securing the 2025 Senior Secured Notes. The 2025 Senior Secured Notes are subject to the Intercreditor Agreement that governs the relative rights of certain of our creditors under our financing arrangements as described in "*—Intercreditor Agreement*" below.

We may redeem all or part of the 2025 Senior Secured Notes at any time on or after July 15, 2021 at redemption prices specified as percentages of the principal amount of 2025 Senior Secured Notes so redeemed. At any time prior to July 15, 2021 we may redeem all or part of the 2025 Senior Secured Notes at a redemption price equal to 100% of their principal amount plus accrued and unpaid interest and additional amounts, if any, to the redemption date, plus a premium equal to the greater of: (i) 1% of the principal value of the applicable note; and (ii) the excess of: (x) the present value at such redemption date of the redemption price of such note on July 15, 2021 (being 101.6250% of the principal amount of the note) plus all required interest payments due on the note through July 15, 2021 (excluding accrued but unpaid interest to the redemption date), computed using a discount rate equal to the Bund Rate as of such redemption date plus 50 basis points; over (y) the outstanding principal amount of the applicable note.

Additionally, at any time and from time to time prior to July 15, 2021, during each 12-month period commencing on the issue date of the 2025 Senior Secured Notes, we may redeem up to 10% of the original aggregate principal amount of the 2025 Senior Secured Notes, at our option, at a redemption price of 103% of the principal amount of the 2025 Senior Secured Notes redeemed plus accrued and unpaid interest and additional amounts, if any, to the redemption date. In addition, at any time prior to July 15, 2021, we may redeem up to 45% of the aggregate principal amount of the 2025 Senior Secured Notes with the net proceeds from certain equity offerings at a redemption price equal to 103.250% of their principal amount, plus accrued and unpaid interest and additional amounts, if any, to the redemption date, provided that at least 55% of the aggregate principal amount of the 2025 Senior Secured Notes remains outstanding after the redemption and the redemption occurs within 120 days after the closing of such equity offering. Further, we may redeem all of the 2025 Senior Secured Notes at a price equal to their principal amount plus accrued and unpaid interest and additional amounts, if any, to the redemption date (subject to the rights of holders of the 2025 Senior Secured Notes on the relevant record date to receive interest due on the relevant interest payment date) upon the occurrence of certain changes in tax law. If we or certain of our subsidiaries sell certain of our assets or experience specific kinds of changes of control, we may also be required to make an offer to repurchase the 2025 Senior Secured Notes at specified redemption prices.

The 2025 Senior Secured Notes Indenture

The indenture governing the 2025 Senior Secured Notes (the "2025 Senior Secured Notes Indenture"), among other things, limits our ability and the ability of the Restricted Subsidiaries (as defined therein) to (i) incur or guarantee additional indebtedness or issue preferred shares, subject to incurrence-based tests (described below); (ii) make certain investments or other restricted payments; (iii) create liens; (iv) sell assets and certain subsidiary stock; (v) pay dividends or make other distributions or repurchase or redeem capital stock or subordinated debt; (vi) engage in certain transactions with affiliates; (vii) enter into agreements that restrict the payment of dividends by subsidiaries or the repayment of intercompany loans and advances; (viii) engage in mergers or consolidations; and (ix) impair the security interests in the Collateral. In order to incur additional indebtedness (other than specified permitted indebtedness) under the 2025 Senior Secured Notes Indenture, our Fixed Charge Coverage Ratio (as defined in the 2025 Senior Secured Notes Indenture) must be at least 2.00 to 1.00 and, in the case of additional Indebtedness that is Senior Secured Debt (as defined in the 2025 Senior Secured Notes Indenture), our Consolidated Senior Secured Leverage Ratio (as defined in the 2025 Senior Secured Notes Indenture) must be less than 4.00 to 1.00, in each case on a *pro forma* basis.

The 2025 Senior Secured Notes Indenture also allows us to incur up to €1.4 billion of indebtedness (including on a secured basis) under Credit Facilities (as defined therein). The 2025 Senior Secured Notes are deemed to be incurred under Credit Facilities and the Credit Facilities are deemed to be fully drawn for purposes of testing the 4.00 to 1.00 Consolidated Senior Secured Leverage Ratio. These covenants (including these incurrence-based tests) are subject to a number of important exceptions and qualifications.

The 2025 Senior Secured Notes Indenture provides for certain events of default, including, among others, defaults under other debt instruments that (i) are caused by the failure to pay principal of, or interest or premium, if any, on indebtedness at its stated maturity prior to the expiration of the applicable grace period provided or (ii) result in the acceleration of such indebtedness prior to its maturity, and, in each case, the principal amount of such indebtedness (together with the principal amount of any other such indebtedness under which there has been a payment default or the maturity of which has been accelerated) aggregates €35.0 million or more.

The 2025 Senior Secured Notes Indenture and the 2025 Senior Secured Notes are governed by the laws of the State of New York.

The July 2026 Senior Secured Notes

On July 22, 2019, we issued €450,000,000 aggregate principal amount of 3.75% senior secured notes due 2026 (the "July 2026 Senior Secured Notes"). Terms capitalized and otherwise not defined in this section have the meanings given to them in the July 2026 Senior Secured Notes Indenture (as defined below).

The July 2026 Senior Secured Notes

The July 2026 Senior Secured Notes mature on July 15, 2026. We pay interest on the July 2026 Senior Secured Notes semi-annually on each June 15 and December 15, commencing December 15, 2019, at a rate of 3.75% per annum. The July 2026 Senior Secured Notes are our general senior secured obligations (together with the other Existing Senior Secured Notes) and (i) are guaranteed by the Guarantors; (ii) are secured by a first-priority security interest in the Collateral; (iii) rank *pari passu* in right of payment with any of our existing and future obligations that are not expressly subordinated in right of payment to the July 2026 Senior Secured Notes, including the Notes offered hereby and indebtedness incurred under the other Existing Senior Secured Notes and the Revolving Credit Facility; (iv) are structurally subordinated to all indebtedness and other liabilities (including trade payables) of our subsidiaries; and (v) are effectively subordinated to any of our and our subsidiaries' existing or future obligations that are secured by property and assets that do not secure the July 2026 Senior Secured Notes, to the extent of the value of the property and assets securing such obligations, including the Revolving Credit Facility, and additional indebtedness permitted under the July 2026 Senior Secured Notes Indenture to be incurred and secured by assets other than the property and assets securing the July 2026 Senior Secured Notes. The July 2026 Senior Secured Notes are subject to the Intercreditor Agreement that governs the relative rights of certain of our creditors under our financing arrangements as described in "*—Intercreditor Agreement*" below.

We may redeem all or part of the July 2026 Senior Secured Notes at any time on or after July 15, 2022 at redemption prices specified as percentages of the principal amount of July 2026 Senior Secured Notes so redeemed. At any time prior to July 15, 2022 we may redeem all or part of the July 2026 Senior Secured Notes at a redemption price equal to 100% of their principal amount plus accrued and unpaid interest and additional amounts, if any, to the redemption date, plus a premium equal to the greater of: (i) 1% of the principal value of the applicable note; and (ii) the excess of: (x) the present value at such redemption date of the redemption price of such note on July 15, 2022 (being 101.8750% of the principal amount of the note) plus all required interest payments due on the note through July 15, 2022 (excluding accrued but unpaid interest to the redemption date), computed using a discount rate equal to the Bund Rate as of such redemption date plus 50 basis points; over (y) the outstanding principal amount of the applicable note.

Additionally, at any time and from time to time prior to July 15, 2022, during each 12-month period commencing on the issue date of the July 2026 Senior Secured Notes, we may redeem up to 10% of the original aggregate principal amount of the July 2026 Senior Secured Notes, at our option, at a redemption price of 103% of the principal amount of the July 2026 Senior Secured Notes redeemed plus accrued and unpaid interest and additional amounts, if any, to the redemption date. In addition, at any time prior to July 15, 2022, we may redeem up to 45% of the aggregate principal amount of the July 2026 Senior Secured Notes with the net proceeds from certain equity offerings at a redemption price equal to 103.750% of their principal amount, plus accrued and unpaid interest and additional amounts, if any, to the redemption date, provided that at least 55% of the aggregate principal amount of the July 2026 Senior Secured Notes remains outstanding after the redemption and the redemption occurs within 120 days after the closing of such equity offering. Further, we may redeem all of the July 2026 Senior Secured Notes at a price equal to their principal amount plus accrued and unpaid interest and additional amounts, if any, to the redemption date (subject to the rights of holders of the July 2026 Senior Secured Notes on the relevant record date to receive interest due on the relevant interest payment date) upon the occurrence of certain changes in tax law. If we or certain of our subsidiaries sell certain of our assets or experience specific kinds of changes of control, we may also be required to make an offer to repurchase the July 2026 Senior Secured Notes at specified redemption prices.

The July 2026 Senior Secured Notes Indenture

The indenture governing the July 2026 Senior Secured Notes (the "July 2026 Senior Secured Notes Indenture"), among other things, limits our ability and the ability of the Restricted Subsidiaries (as defined therein) to (i) incur or guarantee additional indebtedness or issue preferred shares, subject to incurrence-based tests (described below); (ii) make certain investments or other restricted payments; (iii) create liens; (iv) sell assets and certain subsidiary stock; (v) pay dividends or make other distributions or repurchase or redeem capital stock or subordinated debt; (vi) engage in certain transactions with affiliates; (vii) enter into agreements that restrict the payment of dividends by subsidiaries or the repayment of intercompany loans and advances; (viii) engage in mergers or consolidations; and (ix) impair the security interests in the Collateral. In order to incur additional indebtedness (other than specified permitted indebtedness) under the July 2026 Senior Secured Notes Indenture, our Fixed Charge Coverage Ratio (as defined in the July 2026 Senior Secured Notes Indenture) must be at least 2.00 to 1.00 and, in the case of additional Indebtedness that is Senior Secured Debt (as defined in the July 2026 Senior Secured Notes Indenture), our Consolidated Senior Secured Leverage Ratio (as defined in the July 2026 Senior Secured Notes Indenture) must be less than 4.00 to 1.00, in each case on a *pro forma* basis.

The July 2026 Senior Secured Notes Indenture also allows us to incur up to €1.4 billion of indebtedness (including on a secured basis) under Credit Facilities (as defined therein). The July 2026 Senior Secured Notes are deemed to be incurred under Credit Facilities and the Credit Facilities are deemed to be fully drawn for purposes of testing the 4.00 to 1.00 Consolidated Senior Secured Leverage Ratio. These covenants (including these incurrence-based tests) are subject to a number of important exceptions and qualifications.

The July 2026 Senior Secured Notes Indenture provides for certain events of default, including, among others, defaults under other debt instruments that (i) are caused by the failure to pay principal of, or interest or premium, if any, on indebtedness at its stated maturity prior to the expiration of the applicable grace period provided or (ii) result in the acceleration of such indebtedness prior to its maturity, and, in each case, the principal amount of such indebtedness (together with the principal amount of any other such indebtedness under which there has been a payment default or the maturity of which has been accelerated) aggregates €35.0 million or more.

The July 2026 Senior Secured Notes Indenture and the July 2026 Senior Secured Notes are governed by the laws of the State of New York.

Senior Subordinated Notes

The 2025 Senior Subordinated Notes

On April 4, 2017, we issued €250,000,000 aggregate principal amount of 6.000% senior subordinated notes due 2025 (the "2025 Senior Subordinated Notes"). Terms capitalized and otherwise not defined in this section have the meanings given to them in the 2025 Senior Subordinated Notes Indenture (as defined below).

The 2025 Senior Subordinated Notes

The 2025 Senior Subordinated Notes mature on April 15, 2025. We pay interest on the 2025 Senior Subordinated Notes semi-annually on each April 15 and October 15, commencing October 15, 2017, at a rate of 6.000% per annum. The 2025 Senior Subordinated Notes are general unsecured senior subordinated obligations and (i) are guaranteed by the Guarantors; (ii) are expressly subordinated in right of payment to indebtedness incurred under the Revolving Credit Facility, the Notes offered hereby, the Existing Senior Secured Notes and other of our future senior indebtedness; (iii) rank *pari passu* in right of payment to any of our existing or future indebtedness (other than our senior indebtedness) that is not expressly subordinated in right of payment to the 2025 Senior Subordinated Notes; (iv) are structurally subordinated to all indebtedness and other liabilities (including trade payables) of our subsidiaries; and (v) are effectively subordinated to all secured debt (including the Senior Secured Notes offered hereby, the Existing Senior Secured Notes and any indebtedness under the Revolving Credit Facility) to the extent of the value of the collateral securing such debt (including the Collateral and the Revolving Credit Facility Collateral). The 2025 Senior Subordinated Notes are subject to the Intercreditor Agreement that governs the relative rights of certain of our creditors under our financing arrangements as described in "—*Intercreditor Agreement*" below.

We may redeem all or part of the 2025 Senior Subordinated Notes at any time on or after April 15, 2020 at redemption prices specified as percentages of the principal amount of 2025 Senior Subordinated Notes so redeemed. At any time prior to April 15, 2020 we may redeem all or part of the 2025 Senior Subordinated Notes at a redemption price equal to 100% of their principal amount plus accrued and unpaid interest and additional amounts, if any, to the redemption date, plus a premium equal to the greater of: (i) 1% of the principal value of the applicable note; or (ii) the excess of: (x) the present value at such redemption date of the redemption price of such note on April 15, 2020 (being 103.000% of the principal amount of the note) plus all required interest payments due on the note through April 15, 2020 (excluding accrued but unpaid interest to the redemption date), computed using a discount rate equal to the Bund Rate as of such redemption date plus 50 basis points; over (y) the outstanding principal amount of the applicable note, if greater. In addition, at any time prior to April 15, 2020, we may also redeem up to 45% of the aggregate principal amount of the 2025 Senior Subordinated Notes with the net proceeds from certain equity offerings at a redemption price equal to 106% of their principal amount, plus accrued and unpaid interest and additional amounts, if any, to the redemption date, provided that at least 55% of the original aggregate principal amount of the 2025 Senior Subordinated Notes remains outstanding after the redemption and the redemption occurs within 90 days after the closing of such equity offering. Further, we may redeem all of the 2025 Senior Subordinated Notes at a price equal to their principal amount plus accrued and unpaid interest and additional amounts, if any, upon the occurrence of certain changes in tax law. If we or our Restricted Subsidiaries sell certain of our assets or experience specific kinds of changes of control, we may also be required to make an offer to repurchase the 2025 Senior Subordinated Notes at specified redemption prices.

The 2025 Senior Subordinated Notes Indenture

The indenture governing the 2025 Senior Subordinated Notes (the "2025 Senior Subordinated Notes Indenture"), among other things, limits our ability and the ability of the Restricted Subsidiaries (as defined therein) to (i) incur or guarantee additional indebtedness or issue preferred shares, subject to incurrence-based tests (described below); (ii) make certain investments or other restricted payments; (iii) create liens; (iv) sell assets and certain subsidiary stock; (v) pay dividends or make other distributions or repurchase or redeem capital stock or subordinated debt; (vi) engage in certain transactions with affiliates; (vii) enter into agreements that restrict the payment of dividends by subsidiaries or the repayment of intercompany loans and advances; and (viii) engage in mergers or consolidations. In order to incur additional indebtedness (other than specified permitted indebtedness) under the 2025 Senior Subordinated Notes Indenture, our Fixed Charge Coverage Ratio (as defined in the 2025 Senior Subordinated Notes Indenture) must be at least 2.00 to 1.00 and, in the case of additional Indebtedness that is Priority Debt (as defined in the 2025 Senior Subordinated Notes Indenture), our Consolidated Priority Debt Leverage Ratio (as defined in the 2025 Senior Subordinated Notes Indenture) must be less than 4.00 to 1.00, in each case on a *pro forma* basis.

The 2025 Senior Subordinated Notes Indenture also allows us to incur up to €1.4 billion of indebtedness (including on a secured basis) under Credit Facilities (as defined therein). The 2025 Senior Subordinated Notes are deemed to be incurred under Credit Facilities and the Credit Facilities are deemed to be fully drawn for purposes of testing the 4.00 to 1.00 Consolidated Priority Debt Leverage Ratio. These covenants (including these incurrence-based tests) are subject to a number of important exceptions and qualifications.

The 2025 Senior Subordinated Notes Indenture provides for certain events of default, including, among others, defaults under other debt instruments that (i) are caused by the failure to pay principal of, or interest or premium, if any, on indebtedness at its stated maturity prior to the expiration of the applicable grace period provided or (ii) result in the acceleration of such indebtedness prior to its maturity, and, in each case, the principal amount of such indebtedness (together with the principal amount of any other such indebtedness under which there has been a payment default or the maturity of which has been accelerated) aggregates €20 million or more.

The 2025 Senior Subordinated Notes Indenture and the 2025 Senior Subordinated Notes are governed by the laws of the State of New York.

The April 2027 Senior Subordinated Notes

On April 11, 2019, we issued €200,000,000 aggregate principal amount of 4.500% senior subordinated notes due 2027 (the "April 2027 Senior Subordinated Notes"). Terms capitalized and otherwise not defined in this section have the meanings given to them in the April 2027 Senior Subordinated Notes Indenture (as defined below).

The April 2027 Senior Subordinated Notes

The April 2027 Senior Subordinated Notes mature on April 15, 2027. We pay interest on the April 2027 Senior Subordinated Notes semi-annually on each June 15 and December 15, commencing December 15, 2019, at a rate of 4.500% per annum. The April 2027 Senior Subordinated Notes are general unsecured senior subordinated obligations and (i) are guaranteed by the Guarantors; (ii) are expressly subordinated in right of payment to indebtedness incurred under the Revolving Credit Facility, the Notes offered hereby, the Existing Senior Secured Notes and other of our future senior indebtedness; (iii) rank *pari passu* in right of payment to any of our existing or future indebtedness (other than our senior indebtedness) that is not expressly subordinated in right of payment to the April 2027 Senior Subordinated Notes; (iv) are structurally subordinated to all indebtedness and other liabilities (including trade payables) of our subsidiaries; and (v) are effectively subordinated to all secured debt (including the Notes offered hereby, the Existing Senior Secured Notes and any indebtedness under the Revolving Credit Facility) to the extent of the value of the collateral securing such debt (including the Collateral and the Revolving Credit Facility Collateral). The April 2027 Senior Subordinated Notes are subject to the Intercreditor Agreement that governs the relative rights of certain of our creditors under our financing arrangements as described in "*—Intercreditor Agreement*" below.

We may redeem all or part of the April 2027 Senior Subordinated Notes at any time on or after April 15, 2022 at redemption prices specified as percentages of the principal amount of April 2027 Senior Subordinated Notes so redeemed. At any time prior to April 15, 2022 we may redeem all or part of the April 2027 Senior Subordinated Notes at a redemption price equal to 100% of their principal amount plus accrued and unpaid interest and additional amounts, if any, to the redemption date, plus a premium equal to the greater of: (i) 1% of the principal value of the applicable note; or (ii) the excess of: (x) the present value at such redemption date of the redemption price of such note on April 15, 2022 (being 102.250% of the principal amount of the note) plus all required interest payments due on the note through April 15, 2022 (excluding accrued but unpaid interest to the redemption date), computed using a discount rate equal to the Bund Rate as of such redemption date plus 50 basis points; over (y) the outstanding principal amount of the applicable note, if greater. In addition, at any time prior to April 15, 2022, we may also redeem up to 45% of the aggregate principal amount of the April 2027 Senior Subordinated Notes with the net proceeds from certain equity offerings at a redemption price equal to 104.500% of their principal amount, plus accrued and unpaid interest and additional amounts, if any, to the redemption date, provided that at least 55% of the original aggregate principal amount of the April 2027 Senior Subordinated Notes remains outstanding after the redemption and the redemption occurs within 120 days after the closing of such equity offering. Further, we may redeem all of the April 2027 Senior Subordinated Notes at a price equal to their principal amount plus accrued and unpaid interest and additional amounts, if any, upon the occurrence of certain changes in tax law. If we or our Restricted Subsidiaries sell certain of our assets or experience specific kinds of changes of control, we may also be required to make an offer to repurchase the April 2027 Senior Subordinated Notes at specified redemption prices.

The April 2027 Senior Subordinated Notes Indenture

The indenture governing the April 2027 Senior Subordinated Notes (the "April 2027 Senior Subordinated Notes Indenture"), among other things, limits our ability and the ability of the Restricted Subsidiaries (as defined therein) to (i) incur or guarantee additional indebtedness or issue preferred shares, subject to incurrence-based tests (described below); (ii) make certain investments or other restricted payments; (iii) create liens; (iv) sell assets and certain subsidiary stock; (v) pay dividends or make other distributions or repurchase or redeem capital stock or subordinated debt; (vi) engage in certain transactions with affiliates; (vii) enter into agreements that restrict the payment of dividends by subsidiaries or the repayment of intercompany loans and advances; and (viii) engage in mergers or consolidations. In order to incur additional indebtedness (other than specified permitted indebtedness) under the April 2027 Senior Subordinated Notes Indenture, our Fixed Charge Coverage Ratio (as defined in the April 2027 Senior Subordinated Notes Indenture) must be at least 2.00 to 1.00 and, in the case of additional Indebtedness that is Priority Debt (as defined in the April 2027 Senior Subordinated Notes Indenture), our Consolidated Priority Debt Leverage Ratio (as defined in the April 2027 Senior Subordinated Notes Indenture) must be less than 4.00 to 1.00, in each case on a *pro forma* basis.

The April 2027 Senior Subordinated Notes Indenture also allows us to incur up to €1.4 billion of indebtedness (including on a secured basis) under Credit Facilities (as defined therein). The April 2027 Senior Subordinated Notes are deemed to be incurred under Credit Facilities and the Credit Facilities are deemed to be fully drawn for purposes of testing the 4.00 to 1.00 Consolidated Priority Debt Leverage Ratio. These covenants (including these incurrence-based tests) are subject to a number of important exceptions and qualifications.

The April 2027 Senior Subordinated Notes Indenture provides for certain events of default, including, among others, defaults under other debt instruments that (i) are caused by the failure to pay principal of, or interest or premium, if any, on indebtedness at its stated maturity prior to the expiration of the applicable grace period provided or (ii) result in the acceleration of such indebtedness prior to its maturity, and, in each case, the principal amount of such indebtedness (together with the principal amount of any other such indebtedness under which there has been a payment default or the maturity of which has been accelerated) aggregates €35 million or more.

The April 2027 Senior Subordinated Notes Indenture and the April 2027 Senior Subordinated Notes are governed by the laws of the State of New York.

The July 2027 Senior Subordinated Notes

On July 22, 2019, we issued €250,000,000 aggregate principal amount of 5.75% senior subordinated notes due 2027 (the "July 2027 Senior Subordinated Notes"). Terms capitalized and otherwise not defined in this section have the meanings given to them in the July 2027 Senior Subordinated Notes Indenture (as defined below).

The July 2027 Senior Subordinated Notes

The July 2027 Senior Subordinated Notes mature on July 15, 2027. We pay interest on the July 2027 Senior Subordinated Notes semi-annually on each June 15 and December 15, commencing December 15, 2019, at a rate of 5.75% per annum. The July 2027 Senior Subordinated Notes are general unsecured senior subordinated obligations and (i) are guaranteed by the Guarantors; (ii) are expressly subordinated in right of payment to indebtedness incurred under the Revolving Credit Facility, the Senior Secured Notes offered hereby, the Existing Senior Secured Notes and other of our future senior indebtedness; (iii) rank *pari passu* in right of payment to any of our existing or future indebtedness (other than our senior indebtedness) that is not expressly subordinated in right of payment to the July 2027 Senior Subordinated Notes; (iv) are structurally subordinated to all indebtedness and other liabilities (including trade payables) of our subsidiaries not guaranteeing the July 2027 Senior Subordinated Notes; and (v) are effectively subordinated to all secured debt (including the Notes offered hereby, the Existing Senior Secured Notes and any indebtedness under the Revolving Credit Facility) to the extent of the value of the collateral securing such debt (including the Collateral and the Revolving Credit Facility Collateral). The July 2027 Senior Subordinated Notes are subject to the Intercreditor Agreement that governs the relative rights of certain of our creditors under our financing arrangements as described in "—*Intercreditor Agreement*" below.

We may redeem all or part of the July 2027 Senior Subordinated Notes at any time on or after July 15, 2022 at redemption prices specified as percentages of the principal amount of July 2027 Senior Subordinated Notes so redeemed. At any time prior to July 15, 2022 we may redeem all or part of the July 2027 Senior Subordinated Notes at a redemption price equal to 100% of their principal amount plus accrued and unpaid interest and additional amounts, if any, to the redemption date, plus a premium equal to the greater of: (i) 1% of the principal value of the applicable note; or (ii) the excess of: (x) the present value at such redemption date of the redemption price of such note on July 15, 2022 (being 102.8750% of the principal amount of the note) plus all required interest payments due on the note through July 15, 2022 (excluding accrued but unpaid interest to the redemption date), computed using a discount rate equal to the Bund Rate as of such redemption date plus 50 basis points; over (y) the outstanding principal amount of the applicable note, if greater. In addition, at any time prior to July 15, 2022, we may also redeem up to 45% of the aggregate principal amount of the July 2027 Senior Subordinated Notes with the net proceeds from certain equity offerings at a redemption price equal to 105.750% of their principal amount, plus accrued and unpaid interest and additional amounts, if any, to the redemption date, provided that at least 55% of the original aggregate principal amount of the July 2027 Senior Subordinated Notes remains outstanding after the redemption and the redemption occurs within 120 days after the closing of such equity offering. Further, we may redeem all of the July 2027 Senior Subordinated Notes at a price equal to their principal amount plus accrued and unpaid interest and additional amounts, if any, upon the occurrence of certain changes in tax law. If we or our Restricted Subsidiaries sell certain of our assets or experience specific kinds of changes of control, we may also be required to make an offer to repurchase the July 2027 Senior Subordinated Notes at specified redemption prices.

The July 2027 Senior Subordinated Notes Indenture

The indenture governing the July 2027 Senior Subordinated Notes (the "July 2027 Senior Subordinated Notes Indenture" and, together with the other existing indentures described in this "*Description of Certain Financing Arrangements,*" the "Existing Indentures"), among other things, limits our ability and the ability of the Restricted Subsidiaries (as defined therein) to (i) incur or guarantee additional indebtedness or issue preferred shares, subject to incurrence-based tests (described below); (ii) make certain investments or other restricted payments; (iii) create liens; (iv) sell assets and certain subsidiary stock; (v) pay dividends or make other distributions or repurchase or redeem capital stock or subordinated debt; (vi) engage in certain transactions with affiliates; (vii) enter into agreements that restrict the payment of dividends by subsidiaries or the repayment of intercompany loans and advances; and (viii) engage in mergers or consolidations. In order to incur additional indebtedness (other than specified permitted indebtedness) under the July 2027 Senior Subordinated Notes Indenture, our Fixed Charge Coverage Ratio (as defined in the July 2027 Senior Subordinated Notes Indenture) must be at least 2.00 to 1.00 and, in the case of additional Indebtedness that is Priority Debt (as defined in the July 2027 Senior Subordinated Notes Indenture), our Consolidated Priority Debt Leverage Ratio (as defined in the July 2027 Senior Subordinated Notes Indenture) must be less than 4.00 to 1.00, in each case on a *pro forma* basis.

The July 2027 Senior Subordinated Notes Indenture also allows us to incur up to €1.4 billion of indebtedness (including on a secured basis) under Credit Facilities (as defined therein). The July 2027 Senior Subordinated Notes are deemed to be incurred under Credit Facilities and the Credit Facilities are deemed to be fully drawn for purposes of testing the 4.00 to 1.00 Consolidated Priority Debt Leverage Ratio. These covenants (including these incurrence-based tests) are subject to a number of important exceptions and qualifications.

The July 2027 Senior Subordinated Notes Indenture provides for certain events of default, including, among others, defaults under other debt instruments that (i) are caused by the failure to pay principal of, or interest or premium, if any, on indebtedness at its stated maturity prior to the expiration of the applicable grace period provided or (ii) result in the acceleration of such indebtedness prior to its maturity, and, in each case, the principal amount of such indebtedness (together with the principal amount of any other such indebtedness under which there has been a payment default or the maturity of which has been accelerated) aggregates €35 million or more.

The July 2027 Senior Subordinated Notes Indenture and the July 2027 Senior Subordinated Notes are governed by the laws of the State of New York.

Revolving Credit Facility Agreement

Overview

On July 29, 2021, we entered into a €345 million revolving credit facility agreement (the "Revolving Credit Facility") with Bank of America Europe Designated Activity Company, Banque CIC Ouest, Barclays Bank Ireland PLC, BNP Paribas, Caisse Régionale de Crédit Agricole Mutuel de Paris et d'Ile de France, Caisse Régionale de Crédit Agricole Mutuel du Morbihan, Crédit Agricole Corporate and Investment Bank, Crédit Lyonnais, Deutsche Bank Aktiengesellschaft, J.P. Morgan AG (now known as J.P. Morgan SE), Natixis and Société Générale as arrangers, the financial institutions named therein as original lenders and Natixis as agent and security agent. Terms capitalized and otherwise not defined in this section have the meanings given to them in the Revolving Credit Facility.

Borrowers

The Revolving Credit Facility may be utilized by the Issuer and, as from the Super Senior Conversion Date, certain of its restricted subsidiaries incorporated in France, Finland, Sweden or the United Kingdom or other relevant jurisdictions which accede to the Revolving Credit Facility Agreement as additional borrowers and additional guarantors in accordance with the terms thereof. Where there are more than one borrower or guarantor, the Issuer shall act as obligors' agent for the other borrowers or guarantors.

Purpose and currency

The proceeds of utilizations of the Revolving Credit Facility may be applied in or towards (directly or indirectly) financing or refinancing the working capital and/or the general corporate purposes of the Group. The purpose of any incremental facility (as referred to below) will be as agreed by the Issuer and the relevant lenders when it is established.

The Revolving Credit Facility is available in euros, sterling or U.S. dollars and certain other currencies approved by all the lenders under the relevant facility, by the drawing of cash advances, the issue of letters of credit and ancillary facilities. An incremental facility will be available in the currency(ies) as agreed by the Issuer and the relevant lenders when it is established.

Availability

The Revolving Credit Facility may be utilized until the date falling one month prior to the final maturity of five years ending on 29 July 2026 and all utilizations thereunder must be repaid by that date.

For the purposes of financing certain permitted investments, the Revolving Credit Facility may be available on a "certain funds basis" and therefore subject to compliance only by the Issuer and relevant subsidiaries of more limited conditions (including compliance only with Major Representations and absence only of Major Defaults and no Change of Control) than otherwise required to allow a utilization being made.

Incremental Facilities

The Issuer may introduce one or more additional revolving tranches or facilities or increase commitments under any existing revolving tranches or facilities under the Revolving Credit Facility through an "incremental facility" mechanism, provided that incurring such incremental facilities does not cause a specified amount of "Credit Facilities" basket (as described in "*Description of the Notes—Certain Covenants—*) to be exceeded. The commercial terms of any such incremental facility are to be agreed by the relevant lenders, subject to certain limitations (including the requirement that the termination of any incremental facility shall not be prior to 29 July 2026), and an incremental facility will otherwise be on the terms of the Revolving Credit Facility. If agreed by the relevant lenders providing the same, an incremental facility may be provided on a "certain funds basis" as referred to above.

Incremental facility loans will (to the extent lawful and subject to the agreed security principles) share in the same security or collateral as the Revolving Credit Facility from time to time and rank *pari passu* in right of payment and right to receive recoveries from such security on the basis contemplated from time to time by the Intercreditor Agreement or (following the Super Senior Conversion Date) the Super Senior Intercreditor Agreement.

Interest and Fees

Loans under the Revolving Credit Facility initially bear interest at rates per annum equal to EURIBOR, or for loans denominated other than in Euro, LIBOR or (after the rate switch date has occurred for the relevant currency) the applicable compounded reference rate, plus an applicable margin of 2.50 per cent. per annum, subject to, after at least 3 months have elapsed from the date of the Revolving Credit Facility, a ratchet up or down based on the Consolidated Net Leverage Ratio, calculated on a quarterly basis over the then last twelve-month period. The applicable margin varies between 1.50% and 2.50 % per annum, and is automatically increased up to 2.50% per annum while certain Events of Default relating to non-payment, financial covenant, notes events of default, failure to deliver financial statements or compliance certificate is continuing.

Default interest is calculated as an additional 1.00% on the overdue amount.

A commitment fee is payable on the aggregate undrawn and uncancelled amount of the Revolving Credit Facility to the end of its availability period at a rate of 35% of the applicable margin per annum. Commitment fees are payable in arrears, on the last day of each successive period of three (3) Months, on the last day of the availability period and on the date on which the relevant lender cancels its commitment under the Revolving Credit Facility.

The Issuer is also required to pay certain customary fees to the Agent and the Security Agent in connection with the Revolving Credit Facility and to any issuing bank in relation to the issuance of any letter of credit under the Revolving Credit Facility. Incremental facility loans will bear interest and commitment fees as agreed with the relevant lenders at the time of establishment of the relevant incremental facility.

The Revolving Credit Facility Agreement includes a requirement for the Issuer and the Lenders to endeavor to agree by July 2022 a set of criteria in respect of the environmental and social objectives for specified period(s) of time relating to the business and operations of the Group and the mechanism through which the margin shall be increased or decreased by up to no more than 10 basis points depending on compliance in whole or in part, or failure to comply, with these criteria. This does not impose any obligation on any member of the Group to agree, achieve or report on any such environmental and social objectives criteria, to enter into any necessary amendment to incorporate the same in the Revolving Credit Facility Agreement nor would in particular failure by the Group to achieve any such agreed criteria constitute a Default or an Event of Default

Guarantors

Until the Super Senior Conversion Date, the obligations of the Issuer under the Revolving Credit Facility Agreement are not guaranteed by any person and no guarantor coverage test applies. As from the Super Senior Conversion Date, any borrower under the Revolving Credit Facility Agreement is required to guarantee obligations of other borrowers and guarantors under the Revolving Credit Facility Agreement subject to applicable guarantee limitation provisions.

In addition, as from the Super Senior Conversion Date, a guarantor coverage test applies, requiring in particular each of the subsidiaries of the Issuer which is a guarantor with respect to the Notes to accede to the Revolving Credit Facility Agreement as a Guarantor on the Super Senior Conversion Date. In addition, thereafter, the Issuer shall ensure that, subject in particular to the Agreed Security Principles (described below), within 60 days after delivery of the Compliance Certificate relating to the annual financial statements in each financial year, by reference to such annual financial statements, the aggregate of earnings before interest, tax, depreciation and amortization of the Issuer and any other Guarantors (calculated on the same basis as Consolidated Cash Flow taking each entity on an unconsolidated basis and excluding all intra-group items) for the most recently ended fiscal year exceeds 55% of the Consolidated Cash Flow of the Issuer over the same fiscal year (the "Guarantor Coverage Test"), provided that if the Guarantor Coverage Test is otherwise not satisfied, such other members of the Group (not being Unrestricted Subsidiaries) shall no later than on such Guarantor Coverage Test date accede as Additional Guarantors to ensure that the Guarantor Coverage Test is satisfied (calculated as if such Additional Guarantors had been Guarantors for the purposes of the relevant test). For the purposes of the calculation of the Guarantor Coverage Test: (1) the full earnings before interest, tax, depreciation and amortization of a Guarantor shall be taken into account in the calculation of the Guarantor Coverage Test notwithstanding the fact that such Guarantor may only guarantee part or none of the obligations under the relevant facility; (2) the negative earnings before interest, tax, depreciation and amortization of any Guarantor shall be deemed to be zero for the purpose of calculating the numerator of the Guarantor Coverage Test; and (3) where any member of the Group is not eligible to be a Guarantor pursuant to the Agreed Security Principles, its earnings before interest, tax, depreciation and amortization shall be excluded from the calculations required for the Guarantor Coverage Test and the earnings before interest, tax, depreciation and amortization relating thereto shall be excluded from the aggregate of earnings before interest, tax, depreciation and amortization of the Restricted Group for the purposes of calculating such Guarantor Coverage Test, unless the Issuer has elected that such member of the Group becomes a Guarantor.

Security

The Revolving Credit Facility is secured until the Super Senior Conversion Date (excluded) by (1) a security assignment of certain eligible receivables (the "*Dailly* receivables") and a related pledge over the bank account into which the *Dailly* receivables are paid and (2) a pledge over certain eligible equipment (the "Equipment Pledge"). The *Dailly* receivables shall represent at least 110% of the drawn amount under the Revolving Credit Facility at any time, and to the extent this is not the case the Company shall in addition pledge eligible equipment under the Equipment Pledge so that the aggregate amount of the Dailly receivables and the net book value of equipment so pledged represent at least 110% of the drawn amount.

As from the Super Senior Conversion Date (included), the Revolving Credit Facility will (to the extent lawful and subject to the Agreed Security Principles) share in the same security or Collateral as the Notes from time to time and rank in priority to the Notes in right of payment and right to receive recoveries from such Collateral on the basis contemplated by the Super Senior Intercreditor Agreement.

Agreed Security Principles

The Revolving Credit Facility Agreement includes certain customary principles regulating the granting of guarantees and security interests and certain restrictions thereon (the "Agreed Security Principles"). These specify in particular that (1) a member of the Group will not be required to give guarantees or enter into Transaction Security Documents if in each case it is not majority-owned by another member of the Group, (2) only members of the Restricted Group incorporated in France, Finland, Sweden and the United Kingdom shall be required to become Guarantors; (3) no Security will be granted to secure the Revolving Credit Facility Agreement: (x) prior to the Super Senior Conversion Date, except over trade receivables, equipment or bank account of the Issuer; and (y) as from the Super Senior Conversion Date, except over shares or capital stock owned by the Issuer in Loxam Module S.A.S., Loxam Power S.A.S., Lavendon Group Limited, Ramirent oy Ltd or any other Obligor and the "Loxam" trademark owned by the Issuer.

Super Senior Conversion

The triggering of the occurrence of the Super Senior Conversion is at the Issuer's sole discretion. For this purpose, among other things:

- the Issuer must notify the Agent under the Revolving Credit Facility Agreement that it exercises its option to have the facilities under the Revolving Credit Facility Agreement and the Notes be subject to the Super Senior Intercreditor Agreement (as referred to in "*—Super Senior Intercreditor Agreement*") (in substitution for the existing Intercreditor Agreement;

- the Issuer must notify the Agent under the Revolving Credit Facility Agreement, the Security Agent and each Trustee for the outstanding Notes issuances, that the Super Senior Intercreditor Agreement meets the conditions of the Super Senior Intercreditor Principles (as referred to in "*—Super Senior Intercreditor Agreement*");

- each of the Trustees for each of the outstanding Notes issuances, solely in reliance and without further enquiry on a written confirmation from the Issuer that the conditions have been met for the respective Notes to be governed by the Super Senior Intercreditor Agreement in substitution for the existing Intercreditor Agreement, must have confirmed that the conditions are met for the respective Notes to be governed by the Super Senior Intercreditor Agreement in substitution for the existing Intercreditor Agreement and that, upon the Super Senior Intercreditor Agreement being entered into, it shall supersede and replace the terms of the 2014 Intercreditor Agreement with respect to such Notes;

- the Super Senior Intercreditor Agreement shall have been entered into by the Issuer, the Agent under the Revolving Credit Facility Agreement, the Security Agent, the Trustee for each of the outstanding Notes issuances and other persons and such parties shall have agreed simultaneously to terminate the existing Intercreditor Agreement for all purposes;

- the Issuer has certified that no Event of Default has occurred and is continuing under the Revolving Credit Facility Agreement;

- the Guarantors under the Notes shall have acceded as Guarantors under the Revolving Credit Facility Agreement together with other members of the Group (if applicable) so that the guarantor coverage test is met;

- the existing security over Eligible Receivables and Eligible Equipment (as applicable) shall have been released and Collateral documents entered into so that the finance parties under the Revolving Credit Facility Agreement share in the same security or Collateral as the Notes from time to time.

If, on the Super Senior Conversion Date, the provisions of the indentures with respect to any issuance of Senior Secured Notes outstanding on such date include restrictive covenants or events of defaults which are more restrictive or onerous on the Issuer or the Group in any material respect than those under the relevant provisions of the Revolving Credit Facility Agreement, the Issuer will negotiate in good faith with the Agent under the Revolving Credit Facility Agreement (acting on the instructions of the majority lenders, acting reasonably) to amend the Revolving Credit Facility Agreement on the Super Senior Conversion Date to reflect such more restrictive or onerous provisions in the Revolving Credit Facility Agreement.

Repayments

The final maturity date of the original €345 million facility granted under the Revolving Credit Facility is July 29, 2026. The final maturity date of any incremental facility will be determined by the Borrower and the relevant incremental facility lender(s), provided that the maturity of any incremental facility shall not be earlier than the maturity date of the original €345 million facility.

Each loan made under the Revolving Credit Facility must be repaid on the last day of the relevant interest period of one, three or six months, or any other period agreed to by the Lenders, subject to a netting mechanism against amounts to be drawn on such date.

Amounts repaid may be re-borrowed during the availability period, subject to certain conditions.

Prepayments and Change of Control

The Revolving Credit Facility allows for voluntary prepayments (subject to *de minimis* amounts). The Revolving Credit Facility Agreement also permits each lender within a specified time-limit to require the mandatory prepayment of all amounts due to it (1) if it is or will become unlawful for such lender to perform any of its obligations under the Revolving Credit Facility; (2) upon a Change of Control (including the consummation of any transaction, the result of which is that any person, other than certain persons (such as Mr. Gérard Déprez and his estate or family members or related trust or corporation) becomes the beneficial owner of more than 50% of the voting power of the Issuer) or (3) upon the sale of all or substantially all of the assets of the Group.

Covenants

General

The Revolving Credit Facility contains customary information and affirmative loan style covenants (including covenants applicable to the Company and, as the case may be, to the Company's subsidiaries or Material Subsidiaries (as such term is defined in the Revolving Credit Facility) relating to maintenance of relevant authorizations, compliance with laws, payment of taxes, change of business, preservation of assets, *pari passu* ranking, insurance, intellectual property, treasury transactions, further assurance, centre of main interests, sanctions, anti-corruption, provision of financial and other information, etc.).

Financial Covenant

The Revolving Credit Facility also requires us to comply with a "springing" financial covenant. Specifically, we are required to ensure that our Consolidated Net Leverage Ratio in respect of a Relevant Period does not exceed 7.50:1.00 in respect of any testing period; *provided* that (a) only synergies and cost savings referred to in the definition of Consolidated Net Leverage Ratio shall be taken into account which result from the acquisition, restructuring or reorganization (as applicable) confirmed as reasonably anticipated to be achievable by the chief financial officer in the 12 months immediately following the acquisition, restructuring or reorganization (as applicable) and (b) the synergies referred to in the definition of Consolidated Net Leverage Ratio during any applicable testing period may not exceed in aggregate 10% of our Consolidated Cash Flow during such period (after giving *pro forma* effect to the relevant acquisition).

This financial covenant is tested quarterly on a rolling 12-month basis, although it is only tested if the aggregate outstanding principal amount of utilizations at the end of the applicable testing period exceeds 40% of total commitments.

The Revolving Credit Facility contains an equity cure provision enabling the Issuer shareholders to make shareholder injections by way of subordinated debt and/or equity to the Issuer to (i) be added to the amount of consolidated cash flow in an amount sufficient to ensure that the Financial Covenant would be complied with if tested again as at the last day of the same period or (ii) to prepay any utilization under the Revolving Credit Facility. Such cure rights may not be exercised in aggregate on more than four occasions during the term of the New Revolving Credit Facility and may not be exercised in consecutive quarters. If the requirements of the financial covenant are not met at the end of a relevant period (to the extent required to be tested on such date) but by reference to a subsequent relevant period such financial covenant requirements are complied with (whether or not they are required to be tested on that date), the breach caused by the failure to meet the financial covenant on the initial date (and any resulting Default or Event of Default) shall be deemed cured for all purposes under the Revolving Credit Facility Agreement, except to the extent that the lenders have then already exercised any of their related acceleration rights.

Note Purchase Condition

The Revolving Credit Facility Agreement also contains a "note purchase condition" covenant which provides that subject to certain exceptions set out in the Revolving Credit Facility Agreement, the Issuer shall not (and shall provide that no member of the restricted group shall) repay, prepay, purchase, defease or redeem (or otherwise retire for value) any Notes or any Indebtedness to the extent it refinanced any of the Notes (together, the "Relevant Debt") or otherwise directly or indirectly acquire any Relevant Debt (in each case excluding any repayment, prepayment, purchase, defeasance or redemption made with the proceeds of Indebtedness incurred to refinance the Notes in a manner not prohibited by the terms of the Revolving Credit Facility Agreement) (a "Debt Repurchase") The exceptions to such covenant include (among other things), no Event of Default continuing and the aggregate principal amount of all Relevant Debt which is the subject of a Debt Repurchase since July 29, 2021 (excluding, for the avoidance of doubt, (x) fees, make-whole payments, call premia or other redemption premia and (y) for the avoidance of doubt, any Debt Repurchase made from the proceeds of Indebtedness incurred to refinance the Relevant Debt) not exceeding 50% of the aggregate principal amount of the Relevant Debt outstanding on July 29, 2021 or (to the extent that the aggregate principal amount of all Relevant Debt which is the subject of a Debt Repurchase since July 29, 2021 (excluding, for the avoidance of doubt, (x) fees, make-whole payments, call premia or other redemption premia and (y) for the avoidance of doubt, any Debt Repurchase made from the proceeds of Indebtedness incurred to refinance the Relevant Debt) exceeds an amount (the "Threshold") equal to 50% of the aggregate principal amount of the Relevant Debt outstanding on July 29, 2021 (the amount which is the subject of a Debt Repurchase in excess of the Threshold being the "Notes Purchase Excess Amount"), commitments under the Revolving Credit Facility Agreement are cancelled (and, if applicable, utilizations are prepaid), in each case, in the Relevant Proportion. The "Relevant Proportion" shall be the proportion which the Notes Purchase Excess Amount bears to 50% of the aggregate principal amount of the Relevant Debt outstanding on July 29, 2021.

Events of Default

The Revolving Credit Facility Agreement contains customary events of default (subject in certain cases to grace periods, thresholds, materiality and other exceptions), including (1) breach of covenants under the Covenants schedule, (2) payment default or cross-acceleration, (3) failure to pay final and non-appealable judgments, (4) certain insolvency or bankruptcy events affecting the Issuer or any significant subsidiary, (5) any Guarantee being held unenforceable or invalid or ceasing for any reason to be in full force and effect and enforceable in accordance with its terms, (6) any security interest ceasing to be in full force and effect with respect to Collateral, (7) repudiation by the Issuer or any of its restricted subsidiaries of any of its material obligations under any Collateral document securing the Revolving Credit Facility Agreement Security and (8) loan-style events of default such as (i) non-payment, (ii) breach of Financial Covenant (when tested and subject to equity cure provisions described above), (iii) breach of other obligations, (iv) inaccuracy of a representation or statement when made, (v) material failure to comply with the Intercreditor Agreement (or the Super Senior Intercreditor Agreement, as applicable) by certain parties, (vi) unlawfulness and invalidity, (vii) audit qualification, or (viii) a material adverse effect.

The occurrence of an event of default would allow the Agent, among other things, to (i) cancel the total commitments under the Revolving Credit Facility; (ii) declare all or part of any borrowings thereunder immediately due and payable; (iii) declare all or part of any borrowings thereunder payable on demand; and/or (iv) exercise any or all rights, remedies, powers or discretions it has under the revolving facility documents, including directing the Security Agent to exercise such remedies, powers or discretions in respect of the security.

The obligors under the Revolving Credit Facility Agreement benefit from a "clean-up" right during a period of 120 days after an acquisition made on a "certain funds basis" whereby any breach of representation or warranty made or deemed to have been made or repeated, any breach of any undertakings or any event of default will be deemed not to be so if in particular (i) it would otherwise have been a breach of representation or warranty, a breach of covenant or an event of default only by reason of circumstances in relation to such "certain funds" acquisition relating exclusively to the acquired person, business, undertakings or any member of the relevant target group (or any obligation to procure or ensure in relation to a member of such target group), it is capable of remedy within the above 120 day period and reasonable steps are being taken to remedy it, the circumstances giving rise to it have not been procured or approved by any member of the Group in relation to such "certain funds" acquisition and it does not have a material adverse effect (as defined).

Amendments and Waivers

The terms of the Revolving Credit Facility may be amended or waived with the consent of lenders representing more than two-thirds of the aggregate commitments. Certain amendments or waivers, however, such as changes to the maturity, margin, principal or interest in respect of a borrowing, changes in currency, change of control or changes to the legal entity of the Issuer require the consent of all lenders. Conversely, certain amendments which affect only certain lenders, such as a reduction in the margin or in the amount of any payment of principal, interest, fees or commission or other amounts payable with respect to a tranche or a facility require only the consent of the lenders under that tranche or facility.

Governing Law and Jurisdiction

The Revolving Credit Facility Agreement and any non-contractual obligations arising out of or in connection with it are governed by English law. Without prejudice to the foregoing, the restrictive covenants and certain events of default provisions incorporated into the Revolving Credit Facility Agreement and which are specified to be governed by New York law and any non-contractual obligations arising out of or in connection with them are to be interpreted in accordance with New York law. The English courts have exclusive jurisdiction to settle any dispute arising out of or in connection with the Revolving Credit Facility.

Nationwide Revolving Facility Agreement

Overview

On December 17, 2018, Nationwide Platforms Limited as the Borrower and the Company entered into a revolving facility agreement with HSBC Equipment Finance (UK) Limited as Mandated Lead Arranger, the financial institutions listed therein as Original Lenders, HSBC Bank Plc as Agent and Initial Hedge Counterparty and HSBC Corporate Trustee Company (UK) Limited as Security Agent (as amended and restated by an amendment and restatement deed dated December 13, 2019, as further amended by an amendment request dated June 19, 2020 and as further amended and restated by and amendment and restatement deed dated November 22, 2021) (the "Nationwide Revolving Facility"). Terms capitalized and otherwise not defined in this section have the meanings given to them in the Nationwide Revolving Facility.

Subject to the terms therein, the Nationwide Revolving Facility provides for borrowings of up to an aggregate of £120 million on a committed basis. Borrowings may be prepaid or repaid and re-borrowed in accordance with the terms of the Nationwide Revolving Facility. Borrowings may be used to fund any purpose permitted by the Indentures, including directly or indirectly providing balance sheet liquidity used for the repayment of indebtedness of Lavendon Group Limited and its Subsidiaries to Loxam S.A.S., although we may not use borrowings under the Nationwide Revolving Facility directly or indirectly for any payments that could constitute a violation of any applicable anti-bribery law. The Nationwide Revolving Facility also provides us with the ability to, subject to the satisfaction of certain conditions, increase the committed amount of the Revolving Facility under the Nationwide Revolving Facility in an amount not exceeding £10 million in aggregate (the "Nationwide Accordion Facility").

Availability

In addition to standard conditions to utilization, the availability of the commitments under the Nationwide Revolving Facility are also subject to there being an Available Borrowing Base which, amongst other things, requires sufficient Equipment (being certain self-propelled or powered (including truck mounted) mobile elevated working platforms and material handling attachments and other equipment agreed by the Agent (acting reasonably) on hire, or available for hire on Hire Contracts, by an Obligor) being secured in favor of the Security Agent at the time of the proposed utilization. The Nationwide Revolving Facility may be utilized from the date of the agreement until the date falling one month prior to the termination date. The Nationwide Revolving Facility has a maturity of five years and all utilizations thereunder must be repaid by that date. The Nationwide Accordion Facility may be available from the date when the accordion facility is established until the business day falling one month prior to the termination date for the Nationwide Revolving Facility.

Interest and Fees

The amounts drawn under the Nationwide Revolving Facility bear interest at a rate equal to the sum of (i) the applicable margin and (ii) SONIA plus a credit adjustment spread of 0.0326% per annum.

The applicable margin in relation to a revolving facility loan is 2.38% per annum whereas in relation to a Nationwide Accordion Facility it is as agreed between us and the relevant lender.

Default interest is calculated as an additional 1.00% on the overdue amount.

A commitment fee is payable, quarterly in arrear, at the rate of 35% of the Margin on each lender's available commitment under the Nationwide Revolving Facility for the availability period applicable to the Nationwide Revolving Facility.

We are further required to pay certain fees to the Agent and the Security Agent.

Security

The Nationwide Revolving Facility is secured separately from the Existing Senior Secured Notes and the Senior Secured Notes by security over the Equipment.

Repayments

Each loan made under the Nationwide Revolving Facility must be repaid on the last day of the interest period being the period from the Utilisation Date to the last Business Day of the month in which that Utilisation Date occurs and for Rollover Loans, starting on the first day after the expiry of the current Interest Period and ending on the last Business Day of the month (not to extend beyond the Termination Date). Amounts repaid may be re-borrowed during the availability period, subject to certain conditions.

The final maturity date of the Nationwide Revolving Facility is the date falling five years from the date of first utilization which was December 17, 2018.

Prepayments

In addition to scheduled repayment of principal, the Nationwide Revolving Facility provides for (i) mandatory prepayment where there has been a Change of Control; (ii) mandatory prepayment of net proceeds of Equipment sales while there is an Event of Default; and (iii) an undertaking to reduce the amounts outstanding under the Nationwide Revolving Facility if the outstandings exceed the Available Borrowing Base.

If a Change of Control was to occur and if a Lender so requires and notifies the Agent within 30 days of the Agent being notified of such Change of Control, the commitments of that Lender will immediately be cancelled and all amounts outstanding to such Lender will become due and payable, upon the Agent notifying the Company by not less than five Business Days' notice.

A Change of Control will be deemed to have occurred under the Nationwide Revolving Facility if: (i) a Change of Control has been deemed to have occurred under the Indentures; (ii) if the Issuer were to cease to own and control, directly or indirectly, more than 50% of the issued share capital of Nationwide Platforms Limited or ceasing to control, directly or indirectly, the composition of the majority of the board of directors of Nationwide Platforms Limited; or (iii) if there was a sale of all or substantially all of the assets of Nationwide Platforms Limited and its subsidiaries in one or a series of related transactions. The Nationwide Revolving Facility contains provisions relating to cancellation of commitments.

Indebtedness under the Nationwide Revolving Facility may further be voluntarily cancelled or prepaid at any time, in whole or in part, subject to certain conditions, including with respect to minimum amounts and notice period.

Amounts prepaid may be re-borrowed during the availability period, subject to certain conditions. Commitments cancelled may not be reinstated.

Covenants

General

The Nationwide Revolving Facility contains customary information and loan style covenants (including covenants applicable to Nationwide Platforms Limited and, as the case may be, Nationwide Platforms Limited's subsidiaries, relating to, amongst others, maintenance of relevant authorizations, compliance with laws, payment of taxes, change of business, *pari passu* ranking, negative pledge, disposals, financial indebtedness, insurance, sanctions, provision of financial and other information, etc.), in addition to certain additional covenants relating specifically to the Equipment and the calculation of the Available Borrowing Base.

In addition, the Nationwide Revolving Facility requires that any loans (other than trade credit in the ordinary course of trading activities) made to Nationwide Platform Limited or any of its Subsidiaries by any member of the Loxam Group must be subordinated to the Nationwide Revolving Facility pursuant to the Nationwide Intercreditor Agreement ("Shareholder Loans"). The Nationwide Revolving Facility provides that payments may only be made with respect to any Shareholder Loan at a time when Total Net Leverage (*pro forma* for such repayment or prepayment) is 4.50:1.00 or less and no Default or Deficiency has occurred or is continuing.

Financial Covenant

The Nationwide Revolving Facility also requires us to comply with various financial covenants. Specifically, we are required to ensure that in respect of a Relevant Period ending on or after June 30, 2021: (i) the Total Net Leverage does not exceed 4.50:1.00; (ii) the Interest Cover shall not be less than 4.00:1.00; and (iii) Total Net Worth as at the last day of such Relevant Period shall not be less than £60 million.

This financial covenant is tested by reference to its audited consolidated financial statements for that Financial Year and each of the consolidated management accounts for each Financial Quarter (other than a financial quarter ending on or about 31 December).

Events of Default

The Nationwide Revolving Facility contains customary events of default (subject in certain cases to grace periods, thresholds, materiality and other exceptions), including payment default, failure to comply with the financial covenants described above, failure to comply with other obligations under the Finance Documents, misrepresentation, cross-default, insolvency and insolvency proceedings concerning the Company or one of the Material Companies, creditor enforcement proceedings, material failure to comply with the Nationwide Intercreditor Agreement, unlawfulness and invalidity, cessation of business, material qualification of financial statements by the Company's auditors, expropriation of assets, material litigation and material adverse change.

The occurrence of an event of default would allow the Agent, among other things, to (i) cancel the total commitments and / or ancillary commitments under the Nationwide Revolving Facility; (ii) declare all or part of any borrowings thereunder immediately due and payable; (iii) declare all or part of any borrowings and / or ancillary commitments thereunder payable on demand; and/or (iv) exercise any rights, remedies, powers or discretions it has under the revolving facility documents, including directing the Security Agent to exercise such remedies, powers or discretions in respect of the security.

Amendments and Waivers

The terms of the Nationwide Revolving Facility may be amended or waived with the consent of lenders representing more than two-thirds of the aggregate commitments. Certain amendments or waivers, however, such as changes to the maturity, margin, change of control, sanctions-related provisions or changes to the Borrower or Guarantors (other than in accordance with the provisions therein in relation to changes to the obligors) require the consent of all lenders.

Governing Law and Jurisdiction

The Nationwide Revolving Facility and any non-contractual obligations arising out of or in connection with it are governed by English law. The English courts have exclusive jurisdiction to settle any dispute arising out of or in connection with the Nationwide Revolving Facility (although, without prejudice to the foregoing, no Finance Party or Secured Party shall be prevented from taking proceedings relating to a Dispute in any other courts with jurisdiction and (to the extent allowed by law) may even take concurrent proceedings in any number of jurisdictions).

Nationwide Intercreditor Agreement

The below description is a brief summary of certain provisions contained in the Nationwide Intercreditor Agreement which relate to the rights and obligations of the debtors and the creditors in relation to, amongst others, the Nationwide Revolving Facility.

To establish the relative rights of certain of our creditors in relation to the Nationwide Revolving Facility, we entered into an intercreditor agreement on December 17, 2018 with, among others, HSBC Bank Plc as Initial Senior Agent and Initial Hedge Counterparty and HSBC Corporate Trustee Company (UK) Limited as Security Agent (each term as defined therein) (the "Nationwide Intercreditor Agreement").

The Nationwide Intercreditor Agreement contains standard provisions and sets out, among other things:

- the relative ranking of certain of our debt, including setting out that the liabilities pursuant to the Nationwide Revolving Facility and certain hedging liabilities rank first and *pari passu*, without any preference amongst them and that Intra-Group Liabilities (as defined below) and Subordinated Liabilities (as defined below) rank second;

- conditions relating to our ability to provide security for future debts, including sharing of the collateral for the Nationwide Revolving Facility with certain future creditors (including certain hedge counterparties);

- when and by whom an enforcement action can be taken in respect of that debt;

- the terms pursuant to which Nationwide Platforms Limited and its subsidiaries (the "Group") may make payments in respect of certain liabilities owed by them to other members of the Group (the "Intra Group Liabilities") and by certain shareholders of the Group (the "Subordinated Liabilities") from time to time; and

- turnover provisions.

State-Guaranteed Loans

The Issuer and certain of its subsidiaries in Spain (Hune Rental S.L.U.), Italy (Loxam Access SRL), Portugal (Hune Aluguer, Lda) and Switzerland (Loxam Suisse) are party to bilateral loans provided in the context of the COVID-19 pandemic that benefit from a guarantee of each of their respective countries' governments. Each of the loans is unsecured. The loans have maturities of 48 to 60 months from the dates on which they were drawn. As of September 30, 2021, €231.8 million was outstanding under the French state-guaranteed loans, €22.7 million was outstanding under the Spanish state-guaranteed loans, €5.2 million was outstanding under the Italian state-guaranteed loans, €0.9 million was outstanding under the Portuguese state-guaranteed loans and €0.5 million was outstanding under the Swiss state-guaranteed loan.

Commercial Paper Program

Ramirent Oy is party to a commercial paper program providing for borrowings of up to an aggregate of €300.0 million, of which €94.0 million was outstanding as of September 30, 2021 (the "Commercial Paper Program"). Pursuant to the Commercial Paper Program, Ramirent Oy can issue commercial paper having a maturity of less than one year to finance working capital and other short-term funding needs.

Intercreditor Agreement

General

To establish the relative rights of certain of our creditors under our financing arrangements, we entered into the Intercreditor Agreement with, among others, the Agent for the lenders under the Revolving Credit Facility, the trustees under the Existing Senior Secured Notes (the "Senior Secured Notes Trustee"), the trustee under the Senior Subordinated Notes (the "Senior Subordinated Notes Trustee") and the Security Agents in respect of the Revolving Credit Facility and the Existing Senior Secured Notes. In connection with the issuance of the Notes, the Trustee will accede to the Intercreditor Agreement in its capacity as trustee for the Notes and the Notes will be subject to the terms of such agreement as senior secured notes.

The Intercreditor Agreement sets out, among other things:

- the relative ranking of certain of our debt, including the Revolving Credit Facility, the Existing Notes and the Notes offered hereby, as well as certain future debt and hedging obligations;

- when payments can and cannot be made in respect of our debt, including in particular restrictions on payments in respect of senior subordinated notes including the Senior Subordinated Notes and the Senior Subordinated Notes offered hereby that will apply in certain circumstances (such as a default in respect of senior debt);

- conditions relating to our ability to provide security for future debts, including sharing of the Collateral and the collateral for the Revolving Credit Facility, with certain future creditors (including certain hedge counterparties);

- when and by whom an enforcement action can be taken in respect of that debt;

- the terms pursuant to which certain of that debt will be subordinated upon the occurrence of certain insolvency events;

- the terms pursuant to which the Company and its subsidiaries (the "Group") may make payments in respect of certain liabilities (the "Intra-Group Liabilities") owed by them to other members of the Group from time to time; and

- turnover provisions.

In general, the Intercreditor Agreement does not restrict or prevent the incurrence by the Issuer or any Restricted Subsidiary of indebtedness secured by Security other than the Collateral and the collateral for the Revolving Credit Facility to the extent permitted by our financing agreements and the right of any lender thereon to take enforcement action with respect thereto.

The Intercreditor Agreement only regulates Intra-Group Liabilities to the extent that such Liabilities (1) are owed by a Debtor to a non-Debtor or another Debtor and (2) do not relate to current liabilities incurred in the ordinary course of business in connection with cash management, tax and accounting operations. Accordingly, other Intra-Group Liabilities are not required by the terms thereof to be subordinated or junior in right of payment to any Liabilities owed to any Secured Creditors. Members of the Group are not required to accede to the Intercreditor Agreement solely because they have incurred Intra-Group Liabilities, although such intra-group liability shall still be deemed Intra-Group Liabilities for the purposes of the Intercreditor Agreement.

The Intercreditor Agreement does not regulate liabilities owed by any member of the Group to any direct or indirect shareholders.

By accepting a Note, the relevant holder thereof shall be deemed to have agreed to, and accepted the terms and conditions of, the Intercreditor Agreement. The following description is a summary of certain provisions contained in the Intercreditor Agreement which relate to the rights and obligations of the holders of the Notes. It does not restate the Intercreditor Agreement in its entirety. In particular, we provide summary definitions of certain terms below for ease of reading, but such definitions are qualified in their entirety by the more detailed definitions contained in the Intercreditor Agreement. As such, you are urged to read the Intercreditor Agreement because it, and not the discussion that follows, defines certain rights of the holders of the Notes. You can obtain a copy of the Intercreditor Agreement in the manner described under "*General Information—Listing*."

Ranking and Priority

Priority of Liabilities

The Intercreditor Agreement provides that the liabilities of the Company and any member of the Group that becomes a debtor (collectively, "Debtors") in respect of the Revolving Credit Facility, the Existing Notes, the Notes, certain future hedging obligations and certain future debt, rank in the following order or priority:

- *first,* the Senior Lender Liabilities, the Senior Secured Liabilities and the Creditor Representative Amounts (each as defined below), *pari passu* and without any preference between them;

- *second*, the Senior Subordinated Liabilities (as defined below), *pari passu* and without any preference between them; and
- *third*, the Intra-Group Liabilities.

The terms used above are defined in detail in the Intercreditor Agreement, and as a general matter have the following meanings:

"**Additional Senior Secured Creditor**" means a holder of Additional Senior Secured Liabilities.

"**Additional Senior Secured Finance Documents**" means each document or instrument entered into between any Debtor and one or more Additional Senior Secured Creditors setting out the terms of any loan, credit or debt facility, notes, indenture or security which creates or evidences any Additional Senior Secured Liabilities, or setting out the terms of any guarantee or indemnification for, or grants or evidences any Security for, any Additional Senior Secured Liabilities.

"**Additional Senior Secured Liabilities**" means liabilities owed in respect of any loan, credit or debt facility, notes, indenture or security:

(a) that are not subordinated in right of payment to any Senior Lender Liabilities or Senior Secured Notes Liabilities; and

(b) that are designated by the Company to the applicable Security Agent as "Additional Senior Secured Liabilities" and which are permitted under the terms of the Senior Secured Finance Documents, the Senior Lender Finance Documents and the Senior Subordinated Finance Documents to rank *pari passu* with the other Senior Secured Liabilities including at the time of such designation; and

(c) for which the relevant Additional Senior Secured Creditors (or the applicable creditor representative on its behalf) has acceded to the Intercreditor Agreement.

"**Additional Senior Subordinated Creditor Representative**" means, in relation to any Additional Senior Subordinated Liabilities, the person (if any) which has acceded to the Intercreditor Agreement as the Creditor Representative of those Additional Senior Subordinated Liabilities pursuant to the requirements of the Intercreditor Agreement.

"**Additional Senior Subordinated Creditors**" means:

(a) in the case of Additional Senior Subordinated Liabilities taking the form of or evidenced by a loan, credit or debt facility, each lender or other creditor thereof and in the case of Additional Senior Subordinated Liabilities taking the form of any note(s), an indenture or a security, each holder or other creditor thereof; and

(b) any Additional Senior Subordinated Creditor Representative.

"**Additional Senior Subordinated Finance Documents**" means each document or instrument entered into between any Debtor and one or more Additional Senior Subordinated Creditors setting out the terms of any loan, credit or debt facility, notes, indenture or security which creates or evidences any Additional Senior Subordinated Liabilities, or setting out the terms of any guarantee or indemnification for, or grants or evidences any Security for, any Additional Senior Subordinated Liabilities.

"**Additional Senior Subordinated Liabilities**" means the Liabilities owed in respect of any loan, credit or debt facility, notes, indenture or security:

(a) that are not subordinated in right of payment to any Senior Subordinated Liabilities; and

(b) that are designated by the Company to the Senior Secured Security Agent as "Additional Senior Subordinated Liabilities" (which designation may not be revoked) and which are permitted or not prohibited, as the case may be, under the terms of the Senior Secured Finance Documents, the Senior Lender Finance Documents and the Senior Subordinated Finance Documents to rank *pari passu* in right of payment, guarantees, Security and proceeds of the Senior Secured Security with the other Senior Subordinated Liabilities including at the time of such designation; and

(c) for which the relevant Additional Senior Subordinated Creditors under paragraph (a) of the definition thereof (or the applicable Additional Senior Subordinated Creditor Representative on their behalf) have acceded to the Intercreditor Agreement.

"**Additional Senior Subordinated Liabilities Commitment/Outstandings**" means in relation to any Additional Senior Subordinated Liabilities in form of loan, credit or debt facility, notes, indenture or a security, the meaning given to the term "Commitment" or "Outstanding" under the relevant Additional Senior Subordinated Finance Documents.

"**Arranger**" means any Arranger as defined in the Revolving Credit Facility.

"**Creditor Representative Amounts**" mean certain amounts due to the Senior Secured Notes Trustees, the Senior Subordinated Notes Trustees, the Agent under the Revolving Credit Facility and the agent, trustee or similar representative under certain other credit facilities, indentures and similar documents. Each such party is referred to as a "Creditor Representative," and the representatives of the Additional Senior Secured Liabilities are referred to as "Additional Senior Secured Creditor Representatives."

"**Distress Event**" means the acceleration of the Senior Lender Liabilities, the Senior Secured Liabilities (other than the Hedging Liabilities) or the Senior Subordinated Liabilities, or the enforcement of any related transaction security, as the context requires.

"**Relevant Senior Subordinated Default**" means a Senior Subordinated Default.

"**Senior Agent**" means Natixis in its capacity as original senior agent under the Revolving Credit Facility and any agent under an Additional Senior Facilities Agreement that has acceded to the Intercreditor Agreement in such capacity.

"**Senior Discharge Date**" means the date on which all Senior Lender Liabilities and Senior Secured Liabilities have been fully and finally discharged to the satisfaction of the relevant Creditor Representatives.

"**Senior Event of Default**" means an event of default under the Revolving Credit Facility or an Additional Senior Facilities Agreement or an event of default under a Senior Secured Finance Document.

"**Senior Lender Creditor**" means each Senior Lender and the Senior Agent.

"**Senior Lender Finance Party**" means a Finance Party as defined in the Revolving Credit Facility.

"**Senior Lender Liabilities**" mean liabilities owed to the lenders under the Revolving Credit Facility and to the lenders, issuing banks and ancillary lenders in any additional or new future senior credit facility agreement that becomes subject to the Intercreditor Agreement (the "Additional Senior Facilities Agreements"). The holders of Senior Lender Liabilities are referred to as the "Senior Lenders."

"**Senior Secured Liabilities**" mean liabilities owed to the holders of the Existing Senior Secured Notes and the Senior Secured Notes offered hereby including any additional Existing Senior Secured Notes and any additional Senior Secured Notes issued in the future (the "Senior Secured Notes Liabilities"); the liabilities in relation to certain permitted hedging agreements (the "Hedging Liabilities"), and any future senior secured liabilities that become subject to the Intercreditor Agreement as Additional Senior Secured Liabilities. The holders of Senior Secured Liabilities (including hedge counterparties) are referred to as the "Senior Secured Creditors."

"**Senior Subordinated Creditors**" means the Senior Subordinated Noteholders, the Additional Senior Subordinated Creditors and each Senior Subordinated Creditor Representative.

"**Senior Subordinated Creditor Representative**" means any Creditor Representative under the Senior Subordinated Finance Documents for any Senior Subordinated Creditors.

"**Senior Subordinated Finance Documents**" means the Senior Subordinated Notes Finance Documents and the Additional Senior Subordinated Finance Documents.

"**Senior Subordinated Guarantee**" means each guarantee by a Senior Subordinated Guarantor of the obligations of the Company under the Senior Subordinated Finance Documents which contains provisions in relation to payment blockage, subordination and turnover that substantially replicate those provisions of this

Agreement relating to each Senior Subordinated Guarantee or shall be made expressly subject to the provisions of this Agreement in a legally binding manner.

"**Senior Subordinated Liabilities**" means the Senior Subordinated Notes Liabilities and the Additional Senior Subordinated Liabilities.

"**Senior Subordinated Notes Liabilities**" mean liabilities owed to the holders of the Senior Subordinated Notes (including any additional senior subordinated notes issued in the future).

"**Transaction Security**" means the Security created or evidenced or expressed to be created or evidenced under or pursuant to the transaction security documents relating to the Senior Lender Security and the Collateral.

The Senior Secured Notes and the Existing Senior Secured Notes will therefore rank *pari passu* in right of payment with certain other current and future debt of our Company, including, among others, the Revolving Credit Facility, any Additional Senior Facilities Agreements and any future Senior Secured Liabilities. The Senior Subordinated Notes rank junior in right of payment to all such liabilities, and will rank *pari passu* among themselves in right of payment and *pari passu* in right of payment with any future Senior Subordinated Notes, any future Senior Subordinated Notes, any future Additional Senior Subordinated Liabilities Commitment/Outstandings and future Senior Subordinated Liabilities.

Our ability to incur such future debt is subject to compliance with the incurrence tests under the Indentures (see "*Description of Certain Financing Arrangements*" and "*Description of the Notes*"), as well as any other limitations imposed by our debt documents. If we are able to incur such future debt, it is possible that the amount of debt ranking *pari passu* in right of payment with the Existing Senior Secured Notes and senior to the Senior Subordinated Notes and/or the amount of debt ranking *pari passu* in right of payment with the Senior Subordinated Notes will increase significantly in the future.

Priority of Security

The Revolving Credit Facility and the related security agreements provide that the Senior Lenders will benefit from a pledge of receivables owed to the Company (the "*Dailly* Pledge"), and a pledge of the bank account into which such receivables are transferred (collectively, the "Senior Lender Security"). The *Dailly* Pledge will be equal to an amount no less than 120% of the outstanding principal amount loans outstanding under the Revolving Credit Facility at all times. See "*—Revolving Credit Facility Agreement*." Additional security may be pledged for some or all of the Senior Lender Liabilities under the circumstances described herein. We may incur indebtedness secured by such receivables and/or additional receivables under Additional Senior Facilities Agreements, such security to be shared on a *pari passu* basis with the Original Senior Lenders.

The Indentures and related security documents will also provide that the holders of the Notes will benefit from a pledge of the Collateral, which includes a security interest in the Collateral ranking after any then-existing security interest in the Collateral which shall be deemed a first-priority security interest therein by virtue of the Intercreditor Agreement. See "*Description of the Notes—Security*." The Collateral may also secure any future Senior Secured Liabilities under the circumstances described herein. Additional security may be pledged for some or all of the Senior Secured Liabilities under the circumstances described herein. The Collateral and any such additional security is referred to as the "Senior Secured Security."

The holders of the Senior Subordinated Notes will not benefit from any security.

The Intercreditor Agreement provides that the Senior Lender Security will secure the liabilities of the Senior Lender Creditors only, and that the Senior Secured Security will secure the liabilities of the Senior Secured Creditors only (*pari passu* without any preference between them).

If we incur additional Senior Lender Liabilities in the future, the amount of our debt that will be secured by the Senior Lender Security will increase. As a result, the amount of Senior Lender Security that will be available to satisfy claims of other creditors in case of an enforcement action or insolvency event may be reduced.

Similarly, if we incur additional Senior Secured Liabilities in the future, the amount of our debt that will be secured by the Senior Secured Security will increase. As a result, the amount of Senior Secured Security that will be available to satisfy claims of other creditors in case of an enforcement action or insolvency event may be reduced.

The Intercreditor Agreement provides that, if we or any of the other Debtors incur incremental borrowings, new borrowings or guarantees, refinance any borrowings or guarantees, or share existing security, and if this is permitted by the terms of our outstanding debt documents (including, but not limited to, the terms of the Notes), the creditors party to the Intercreditor Agreement (including the Trustee) will (at the cost of the Debtors) co-operate with the Debtors with a view to enabling such financing or refinancing and such sharing of security to take place. In each case, the relevant creditors, including the holders of the Notes, will be deemed to have authorized their respective Creditor Representatives to execute any amendment to the Intercreditor Agreement and the other debt documents required to reflect such arrangements.

Restriction on Enforcement of Security

The Intercreditor Agreement provides that the Senior Lenders may not take any action to enforce the Senior Lender Security without the prior written consent of the Majority Senior Lender Creditors and that the Senior Secured Creditors may not take any action to enforce the transaction security without the prior written consent of the Majority Senior Secured Creditors. Notwithstanding the foregoing, if an insolvency event in relation to a Debtor (meaning generally that insolvency or similar proceedings are instituted by or in respect of such Debtor), Senior Lenders and Senior Secured Creditors may take certain enforcement actions in connection with the relevant insolvency proceedings, but may not direct the applicable Security Agent to enforce the relevant transaction security in connection with such insolvency event except with the relevant majority consent.

The "Majority Senior Lenders" are generally defined as Senior Lenders holding more than 66 2/3% of the Senior Lender Liabilities, and the "Majority Senior Secured Creditors" are generally defined as Senior Secured Creditors holding more than 50% of the Senior Secured Liabilities.

The Intercreditor Agreement does not contain any mechanism regulating enforcement action between Senior Lenders as a creditor class and Senior Secured Creditors as a creditor class.

Additional Security and Guarantees

Senior Lenders

Any Senior Lender may take, accept or receive the benefit of:

- any security from the Company or any member of the Group in respect of its Senior Lender Liabilities, subject to a requirement to offer similar security:
    - to the Security Agent as agent or trustee for the other Senior Lenders (which will then form part of the Senior Lender Security); or
    - in the case of any jurisdiction in which effective security cannot be granted in favor of the applicable Security Agent as agent or trustee for the other Senior Lenders:
        - to the other Senior Lender Creditors in respect of their secured obligations; or
        - to the applicable Security Agent under a parallel debt structure, joint and several creditor structure or agency structure for the benefit of the other Senior Lender Creditors,
- any guarantee, indemnity or other assurance against loss from any member of the Group in respect of the Senior Lender Liabilities in addition to those provided in the existing documents evidencing or relating to the Senior Lender Liabilities and in the Intercreditor Agreement, subject to a requirement to offer similar benefits to other Senior Lenders or their Creditor Representatives on their behalf to the extent legally possible and subject to certain agreed security principles.

In any such case, such security, guarantee, indemnity or other assurance against loss will rank in the same order of priority as set out under "—*Ranking and Priority—Priority of Security*," and all amounts received by any Senior Lender Finance Party (which shall generally mean the relevant Senior Lenders and their Creditor Representative(s)) with respect to such security will be paid to the applicable Security Agent and held and applied in accordance with the provisions set out under "—*Application of Proceeds*."

This provision does not require any security or guarantee to be granted in respect of the Senior Secured Liabilities or the Senior Subordinated Liabilities.

In addition, the ancillary lenders or issuing banks under any Additional Senior Facilities Agreements may take, accept or receive certain additional security or guarantees, including cash cover provided under such Additional Senior Facilities Agreements, separate from the security and guarantees provided to all the Senior Lenders, and without providing any security or guarantee in respect of the Senior Secured Liabilities or the Senior Subordinated Liabilities.

Senior Secured Creditors

The Senior Secured Creditors may take, accept or receive the benefit of:

- any security from any member of the Group in respect of Senior Secured Liabilities if and to the extent legally possible and subject to certain agreed security principles, at the same time, it is also offered either:
  - to the applicable Security Agent as agent or trustee for the other Senior Secured Creditors in respect of their Senior Secured Liabilities; or
  - in the case of any jurisdiction in which effective security cannot be granted in favor of the applicable Security Agent as agent or trustee for the other Senior Secured Creditors:
    - to the other Senior Secured Creditors in respect of their secured obligations; or
    - to the applicable Security Agent under a parallel debt structure, joint and several creditor structure or agency structure for the benefit of the other Senior Secured Creditors,

  and ranks in the same order of priority as set out under the caption "—*Ranking and Priority—Priority of Security*," provided that all amounts received or recovered by any Senior Secured Creditor with respect to such security are immediately paid to the applicable Security Agent and held and applied in accordance with the provisions set out under the caption "—*Application of Proceeds*;" and

- any guarantee, indemnity or other assurance against loss from any member of the Group in respect of the Senior Secured Liabilities if and to the extent legally possible, and subject to certain agreed security principles, at the same time it is also offered to the other Senior Secured Creditors in respect of their Senior Secured Liabilities and ranks in the same order of priority as set out under the caption "—*Ranking and Priority*" and all amounts received by any Senior Secured Creditor with respect thereto are immediately paid to the applicable Security Agent and held and applied in accordance with the provisions set out under the caption "—*Application of Proceeds*."

Hedge Counterparties and Hedging Liabilities

The Debtors may enter into interest rate or currency exchange rate hedge agreements under ISDA or other forms of master agreements from time to time, so long as the total hedged amounts do not exceed certain limits. The Hedging Liabilities created under such agreements may rank *pari passu* with the Senior Lender Liabilities and the Senior Secured Liabilities, and senior to the Senior Subordinated Liabilities. Such Hedging Liabilities may share in the Senior Secured Security.

The Debtors may make payments due under the terms of the agreements relating to such Hedging Liabilities as they come due, as well as close-out or termination payments thereunder. Close-out and termination payments are subject to certain limitations, including compliance with the terms of the documents governing the Senior Lender Liabilities and the Senior Secured Liabilities if the close-out or termination occurs prior to a Distress Event. The Debtors may not make any payment to a hedge counterparty that has failed to make a payment under the relevant hedging agreement, and the failure by the Debtors to make such payment will not constitute an Event of Default under the Notes. Following the acceleration of the Notes or the occurrence of an Insolvency Event, the Debtors may not make payments under the hedging agreements except in connection with the enforcement of the Senior Secured Security and the application of the proceeds thereof as provided under "—*Application of Proceeds*." The hedge counterparties shall be required to terminate or close out the hedge agreements upon the acceleration of the Notes or Additional Senior Secured Finance Documents or upon the instruction of the Majority Senior Secured Creditors.

Permitted Payments in Respect of Senior Lender Liabilities and Senior Secured Liabilities

The Debtors may make payment in respect of the Senior Lender Liabilities and the Senior Secured Liabilities (other than Hedging Liabilities) at any time in accordance with the provisions of the applicable documents governing the terms of the Senior Lender Liabilities (the "Senior Lender Finance Documents") and the Senior Secured Liabilities (the "Senior Secured Finance Documents").

Option to Purchase: Senior Secured Creditors

Upon the occurrence of a Distress Event, the Senior Secured Creditors may elect to purchase the Senior Lender Liabilities for the amount that would have been required to prepay such liabilities on the purchase date plus certain costs and expenses.

The Senior Secured Creditors may not exercise their right to purchase the Senior Lender Liabilities if the Senior Subordinated Creditor Representative, on behalf of the Senior Subordinated Creditors, has exercised its right to purchase the Senior Lender Liabilities and the Senior Secured Liabilities, as described under "*—Option to Purchase—Senior Subordinated Creditors*."

Restrictions Relating to Senior Subordinated Liabilities

Restriction on Payment and Dealings

The Intercreditor Agreement provides that, until the Senior Discharge Date, except with the prior consent of the Creditor Representative under the Senior Facilities Agreements and (to the extent otherwise prohibited under any Senior Secured Finance Document) the Creditor Representative under such Senior Secured Finance Document, the Debtors shall not (and the Company shall ensure that no member of the Group will):

(i) pay, repay, prepay, redeem, acquire or defease any principal, interest or other amount on or in respect of, or make any distribution in respect of, any Senior Subordinated Liabilities in cash or in kind or apply any such money or property in or towards discharge of any Senior Subordinated Liabilities except as permitted by the provisions set out below under the caption "*—Permitted Senior Subordinated Payments*", the second paragraph set out in the caption "*—Restrictions on Enforcement*" and the fourth paragraph under the caption "*—Effect of Insolvency Event; Filing of Claims*" or by a refinancing of the Senior Subordinated Notes or the Senior Subordinated Liabilities as permitted by the Intercreditor Agreement;

(ii) exercise any set-off against any Senior Subordinated Liabilities, except as permitted by the provisions set out in the caption "*—Permitted Senior Subordinated Payments*" below, the provisions set out in the caption "*—Restrictions on Enforcement*" below or the fourth paragraph under the caption "*—Effect of Insolvency Event; Filing of Claims*" below; or

(iii) create or permit to subsist any security over any assets of any member of the Group or give any guarantee (and the Senior Subordinated Creditor Representative may not and no Senior Subordinated Creditor may, accept the benefit of any such Security or guarantee) from any member of the Group for, or in respect of, any Senior Subordinated Liabilities other than Senior Subordinated Guarantees.

Permitted Senior Subordinated Payments

Prior to the Senior Discharge Date, the Debtors may make payments in respect of the Senior Subordinated Liabilities then due in accordance with the terms of the relevant documents that govern them (the "Senior Subordinated Finance Documents") if:

(i) the payment is not principal or capitalized interest, or is made after the maturity date of the Senior Subordinated Liabilities, or is otherwise expressly permitted by the documents governing the Senior Lender Liabilities;

(ii) no Senior Subordinated payment stop notice is outstanding (as described under "*—Payment Blockage Provisions*"); and

(iii) no Senior Payment Default has occurred and is continuing (a "Senior Payment Default" is a default on Senior Lender Liabilities or Senior Secured Liabilities resulting from non-payment, subject to certain limited exceptions).

Any other payment to the holders of the Senior Subordinated Liabilities may be made only if the Majority Senior Lender Creditors and Creditor Representatives for the Senior Secured Liabilities give prior consent to that payment being made.

In addition, the Debtors may make certain payments to the Creditor Representative for the Senior Subordinated Liabilities, as well as certain payments of administrative expenses, tax gross-up amounts, amendment and waiver fees and similar amounts. The Debtors may also pay costs, commissions, taxes, premiums and any expenses incurred in respect of (or reasonably incidental to) any refinancing of the Senior Subordinated Liabilities in compliance with the Intercreditor Agreement and the documents governing the Senior Lender Liabilities and the Senior Secured Liabilities.

On or after the Senior Discharge Date, the Debtors may make payments in respect of the Senior Subordinated Liabilities in accordance with the Senior Subordinated Finance Documents.

Payment Blockage Provisions

Until the Senior Discharge Date, except with the prior consent of the Creditor Representatives in respect of the Senior Lender Liabilities and the Senior Secured Liabilities, and subject to the provisions set out under "—*Effect of Insolvency Event; Filing of Claims*" below, the Debtors shall be prohibited from making payments in respect of the Senior Subordinated Liabilities (other than certain amounts due to the Senior Subordinated Creditor Representative) if:

- a Senior Payment Default is continuing; or
- a Senior Event of Default (other than a Senior Payment Default) is continuing, from the date which is one business day after the date on which a Creditor Representative delivers a payment stop notice specifying the event or circumstance in relation to that Senior Event of Default to the Company, the applicable Security Agent and the Senior Subordinated Creditor Representative until the earliest of:
  - the date falling 179 days after delivery of that payment stop notice;
  - in relation to payments of Senior Subordinated Liabilities, if a Senior Subordinated standstill period is in effect at any time after delivery of that payment stop notice, the date on which that standstill period expires (see "—*Restrictions on Enforcement*");
  - the date on which the relevant Senior Event of Default has been remedied or waived;
  - the date on which the relevant Creditor Representative (as applicable) delivers a notice to the Company, the applicable Security Agent and the Senior Subordinated Creditor Representative(s) cancelling the payment stop notice and no other stop notice is then in effect;
  - the Senior Discharge Date; and
  - the date on which the applicable Security Agent or a Senior Subordinated Creditor Representative takes Enforcement Action (as defined below) permitted under the Intercreditor Agreement against a Debtor.

Unless the Senior Subordinated Creditor Representative(s) waive this requirement (i) a new payment stop notice may not be delivered unless and until 360 days have elapsed since the delivery of the immediately prior payment stop notice and (ii) no payment stop notice may be delivered in reliance on an Event of Default in respect of Senior Secured Liabilities more than 45 days after the Creditor Representative for the applicable Senior Lender Liabilities or Senior Secured Liabilities has received notice of that Senior Event of Default.

The Creditor Representatives for any Senior Creditors may only serve one payment stop notice with respect to the same event or set of circumstances. Subject to the immediately preceding paragraph, this shall not affect the right of any such Creditor Representative to issue a payment stop notice in respect of any other event or set of circumstances. No payment stop notice may be served by a Creditor Representative in respect of a Senior

Event of Default which has been notified to such Creditor Representatives at the time at which an earlier payment stop notice was issued.

Any failure to make a payment due under the Senior Subordinated Finance Documents as a result of the issue of a payment stop notice or the occurrence of a Senior Payment Default shall not prevent (i) the occurrence of an Event of Default (as defined in the relevant Senior Subordinated Finance Documents) as a consequence of that failure to make a payment in relation to the relevant Senior Subordinated Finance Documents or (ii) the issue of an enforcement notice with respect to the relevant Event of Default on behalf of the Senior Subordinated Creditors.

No Debtor shall be released from the liability to make any payment (including of default interest, which shall continue to accrue) under any Senior Subordinated Finance Document (including the Senior Subordinated Indenture and the Senior Subordinated Notes Indentures) by the operation of the provisions set out above even if its obligation to make such payment is restricted at any time by the terms of any of those provisions.

If:

(i) at any time following the issue of a payment stop notice or the occurrence of a Senior Payment Default, that payment stop notice ceases to be outstanding and/or (as the case may be) the Senior Payment Default ceases to be continuing; and

(ii) the relevant Debtor then promptly pays to the holders of the Senior Subordinated Liabilities an amount equal to any payments which had accrued thereunder and which would have been permitted but for that payment stop notice or Senior Payment Default,

then any event of default which may have occurred as a result of that suspension of payments shall be waived and any Senior Subordinated enforcement notice which may have been issued as a result of that event of default shall be waived, in each case without any further action being required on the part of the Senior Subordinated Creditors.

Restrictions on Amendments and Waivers

Prior to the Senior Discharge Date, the parties to the documents governing the Senior Subordinated Liabilities (the "Senior Subordinated Creditors") may not amend or waive the terms of such documents unless the amendment or waiver does not adversely affect the rights of holders of the Senior Liabilities.

Restrictions on Enforcement

Until the Senior Discharge Date, except with the prior consent of or as required by each Creditor Representative of any Senior Lender Liabilities and Senior Secured Liabilities then outstanding:

(a) no Senior Subordinated Creditor shall direct the applicable Security Agent to enforce or otherwise (to the extent applicable), require the enforcement of, any transaction security documents (which in any event the Senior Subordinated Creditors ordinarily would not be able to do, since security for the Senior Subordinated Liabilities is prohibited except with the consent of the Creditor Representatives of the Senior Lenders and the Senior Secured Creditors); and

(b) no Senior Subordinated Creditor shall take or require the taking of any Enforcement Action in relation to the Senior Subordinated Liabilities.

These restrictions will not apply in respect of the Senior Subordinated Guarantee liabilities or the security documents (if any) which secure the Senior Subordinated Liabilities if:

(i) a Senior Subordinated Event of Default is continuing;

(ii) each Creditor Representative for Senior Lender Liabilities and Senior Secured Liabilities has received a notice of such Relevant Senior Subordinated Default specifying the event or circumstance in relation to such Senior Subordinated Default from the Senior Subordinated Creditor Representative;

(iii) the relevant Senior Subordinated Standstill Period (as defined below) has elapsed; and

(iv) such Senior Subordinated Default is continuing at the end of the relevant Senior Subordinated Standstill Period.

In relation to a Senior Subordinated Default, a "Senior Subordinated Standstill Period" shall mean the period beginning on the date (the "Senior Subordinated Standstill Start Date") the Senior Subordinated Creditor Representative serves a notice of such event on each Creditor Representative for any Senior Lender Liabilities and Senior Secured Liabilities, and ending on the earliest to occur of:

(i) the date falling 179 days after the Senior Subordinated Standstill Start Date (the "Senior Subordinated Standstill Period");

(ii) the date the Senior Lenders or Senior Secured Creditors take any Enforcement Action in relation to a particular Debtor, provided, however, that:

(A) if a Senior Subordinated Standstill Period ends pursuant to this paragraph, the Senior Subordinated Creditor may only take the same Enforcement Action in relation to the Debtor as the Enforcement Action taken by the Senior Lenders or the Senior Secured Creditors or holders against such Debtor and not against any other member of the Group; and

(B) Enforcement Action for the purpose of this paragraph shall not include action taken to preserve or protect any security as opposed to realizing it;

(iii) the date of an Insolvency Event (as defined below) in relation to a particular Senior Subordinated Guarantor against whom Enforcement Action is to be taken; and

(iv) the expiry of any other Senior Subordinated Standstill Period outstanding at the date such first mentioned Senior Subordinated Standstill Period commenced (unless that expiry occurs as a result of a cure, waiver or other permitted remedy).

The Senior Subordinated Creditor may take Enforcement Action under the provisions set out above in relation to a Relevant Senior Subordinated Default even if, at the end of any relevant Senior Subordinated Standstill Period or at any later time, a further Senior Subordinated Standstill Period has begun as a result of any other Relevant Senior Subordinated Default.

Option to Purchase: Senior Subordinated Creditors

Upon the occurrence of a Distress Event, the Senior Subordinated Creditor Representative(s) may elect to purchase all of the Senior Lender Liabilities and the Senior Secured Liabilities for the amount that would have been required to provide cash cover for any letter of credit and to prepay such liabilities on the purchase date plus certain costs and expenses. Any such purchase must include a transfer of all Hedging Liabilities, and if a transfer cannot be made, then no such purchase may be made, unless the relevant hedge counterparty otherwise agrees. The purchase price for a transfer of Hedging Liabilities will be based on the termination payment calculation methodologies in the relevant ISDA or other agreement governing such Hedging Liabilities, and must be certified by the relevant hedge counterparty.

Effect of Insolvency Event; Filing of Claims

An "Insolvency Event" occurs in relation to any Debtor if:

- any resolution is passed or order made for its winding up, dissolution, administration or reorganization, a moratorium is declared in relation to any of its indebtedness or an administrator is appointed to it;
- any composition, compromise, assignment or arrangement is made with creditors generally;
- a liquidator, receiver, administrator, administrative receiver, compulsory manager or other similar officer is appointed in respect of that Debtor or any of its assets;
- certain specified French law insolvency events occur in respect of the Company or its subsidiaries; or

- any analogous procedure or step to those described above in respect of the Debtor is taken in any jurisdiction.

The Intercreditor Agreement provides that, after the occurrence of an Insolvency Event in relation to any Debtor, any party entitled to receive a distribution out of the assets of that Debtor 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 Debtor to pay that distribution to the applicable Security Agent until the liabilities owing to the Senior Lenders and the Senior Secured Creditors have been paid in full. In this respect, the applicable Security Agent shall apply distributions paid to it in accordance with the provisions set out under the caption "—*Application of Proceeds*" below.

Generally, to the extent that any member of Group's liabilities are discharged by way of set-off (mandatory or otherwise) after the occurrence of an Insolvency Event in relation to that member of the Group, any creditor which benefited from that set-off shall (to the extent such amount constitutes proceeds from the enforcement of security) pay an amount equal to the amount of the liabilities owed to it which are discharged by that set-off to the applicable Security Agent for application in accordance with the provisions set out in the caption "—*Application of Proceeds*" below.

If a Security Agent or any other secured party receives a distribution in a form other than in cash in respect of any of the liabilities owed to them by a member of the Group, the liabilities will not be reduced by that distribution until and except to the extent that the realization proceeds are actually applied towards such liabilities.

After the occurrence of an Insolvency Event in relation to any member of Group, each creditor (including the holders of the Notes) irrevocably authorizes the applicable Security Agent, on its behalf, to:

(i) take any Enforcement Action (in accordance with the terms of the Intercreditor Agreement) against that member of the Group;

(ii) demand, sue, prove and give receipt for any or all of that member of Group's liabilities owed to the creditors under the debt documents;

(iii) collect and receive all distributions on, or on account of, any or all of that member of Group's liabilities owed to the creditors under the debt documents; and

(iv) file claims, take proceedings and do all other things the applicable Security Agent considers reasonably necessary to recover that Debtor's liabilities owed to the creditors under the debt documents.

Each creditor will (i) do all things that the applicable Security Agent reasonably requests in order to give effect to the matters disclosed under this section and (ii) if the applicable Security Agent is not entitled to take any of the actions contemplated by this section or if the applicable Security Agent requests that a creditor take that action, undertake that action itself in accordance with the instructions of the applicable Security Agent or grant a power of attorney to the applicable Security Agent (on such terms as the applicable Security Agent may reasonably require, although no trustee shall be under any obligation to grant such powers of attorney) to enable the applicable Security Agent to take such action.

Turnover

Subject to certain exceptions, the Intercreditor Agreement provides that if any Senior Lender, Senior Secured Creditor, holder of Senior Subordinated Liabilities or any of their respective Creditor Representatives (the "Primary Creditors") receives or recovers from any member of the Group:

(i) any payment or distribution of, or on account of or in relation to, any of the liabilities owed to the creditors under the debt documents which is not either (x) a payment permitted under the Intercreditor Agreement or (y) made in accordance with the provisions set out below under the caption "—*Application of Proceeds*;"

(ii) any amount by way of set-off in respect of any of the liabilities owed to it which does not give effect to a payment permitted under the Intercreditor Agreement;

(iii) any amount:

(A) on account of, or in relation to, any of the liabilities owed to the creditors under the debt documents:

(I) after the occurrence of an acceleration event or the enforcement of any security; or

(II) as a result of any other litigation or proceedings against a Debtor (other than after the occurrence of an Insolvency Event in respect of that Debtor); or

(B) by way of set-off in respect of any of the liabilities owed to it after the occurrence of an acceleration event or the enforcement of any security,

other than, in each case, any amount received or recovered in accordance with the provisions set out below the caption "—*Application of Proceeds*;"

(iv) the proceeds of any enforcement of any security except in accordance with the provisions set out below under the caption "—*Application of Proceeds*;" or

(v) other than in the case of set-off or a refinancing, any distribution in cash or in kind or payment of, or on account of or in relation to, any of the liabilities owed by any Debtor which is not in accordance with the provisions set out in the caption "—*Application of Proceeds*" and which is made as a result of, or after, the occurrence of an Insolvency Event in respect of that member of Group,

that Primary Creditor will: (i) in relation to receipts and recoveries not received or recovered by way of set-off (x) hold an amount of that receipt or recovery equal to the relevant liabilities (or if less, the amount received or recovered) on trust for the applicable Security Agent and promptly pay that amount to the applicable Security Agent for application in accordance with the terms of the Intercreditor Agreement and (y) promptly pay an amount equal to the amount (if any) by which the receipt or recovery exceeds the relevant liabilities to the applicable Security Agent for application in accordance with the terms of the Intercreditor Agreement; and (ii) in relation to receipts and recoveries received or recovered by way of set-off, promptly pay an amount equal to that recovery to the applicable Security Agent for application in accordance with the terms of the Intercreditor Agreement.

Subject to certain exceptions, the Intercreditor Agreement provides that if any creditor party to the Intercreditor Agreement other than a Primary Creditor receives or recovers from any member of the Group:

(i) any payment or distribution of, or on account of or in relation to, any of the liabilities owed to the creditors under the debt documents which is not either (x) a payment permitted under the Intercreditor Agreement or (y) made in accordance with the provisions set out below under the caption "—*Application of Proceeds*";

(ii) any amount by way of set-off in respect of any of the liabilities owed to it which does not give effect to a payment permitted under the Intercreditor Agreement;

(iii) any amount:

(A) on account of, or in relation to, any of the liabilities owed to the creditors under the debt documents:

(I) after the occurrence of an acceleration event or the enforcement of any security; or

(II) as a result of any other litigation or proceedings against a Debtor (other than after the occurrence of an Insolvency Event in respect of that Debtor); or

(B) by way of set-off in respect of any of the liabilities owed to it after the occurrence of an acceleration event or the enforcement of any security,

other than, in each case, any amount received or recovered in accordance with the provisions set out below the caption "—*Application of Proceeds*";

(iv) the proceeds of any enforcement of any security except in accordance with the provisions set out below under the caption "—*Application of Proceeds*"; or

(v) any distribution in cash or in kind or payment of, or on account of or in relation to, any of the liabilities owed by any member of Group which is not in accordance with the provisions set out in the caption "—*Application of Proceeds*" and which is made as a result of, or after, the occurrence of an insolvency event in respect of that member of Group,

that creditor which is not a Primary Creditor will: (i) in relation to receipts and recoveries not received or recovered by way of set-off (x) hold an amount of that receipt or recovery equal to the relevant liabilities (or if less, the amount received or recovered) on trust for the applicable Security Agents and promptly pay that amount to the applicable Security Agents for application in accordance with the terms of the Intercreditor Agreement and (y) promptly pay an amount equal to the amount (if any) by which the receipt or recovery exceeds the relevant liabilities to the applicable Security Agents for application in accordance with the terms of the Intercreditor Agreement; and (ii) in relation to receipts and recoveries received or recovered by way of set-off, promptly pay an amount equal to that recovery to the applicable Security Agents for application in accordance with the terms of the Intercreditor Agreement.

Enforcement of Security

Instructions to Enforce

The applicable Security Agent may refrain from enforcing the security unless instructed otherwise by an Instructing Group. An "Instructing Group" means (i) in relation to the Senior Lender Security, until the date on which the Senior Lender Liabilities are fully discharged, the Majority Senior Lender Creditors, and (ii) in relation to the Senior Secured Security, until the date on which the Senior Secured Liabilities are fully discharged, the relevant Senior Secured Creditor Representative, to the extent required under the terms of the Senior Secured Finance Documents, acting upon instruction of the Majority Senior Secured Creditors. Subject to the relevant security having become enforceable in accordance with its terms, the Instructing Group may give, or refrain from giving, instructions to the applicable Security Agent to enforce, or refrain from enforcing, such security as they see fit. No secured party shall have any independent power to enforce, or to have recourse to enforce, any security or to exercise any rights or powers arising under the security documents except through the applicable Security Agent.

Manner of Enforcement

If the security is being enforced as set forth above under the caption "—*Instructions to Enforce*," the applicable Security Agent shall enforce the security in such manner (including, without limitation, the selection of any administrator of any Debtor to be appointed by the applicable Security Agent) as the Instructing Group shall instruct, or, in the absence of any such instructions, as the applicable Security Agent sees fit.

Waiver of Rights

To the extent permitted under applicable law and subject to certain provisions of the Intercreditor Agreement, each of the Senior Lender Creditors, the Senior Secured Creditors, the Senior Subordinated Creditors, the other Creditors and the Debtors waives all rights it may otherwise have to require that the security be enforced in any particular order or manner or at any particular time, or that any sum received or recovered from any person, or by virtue of the enforcement of any of the security or of any other security interest, which is capable of being applied in or towards discharge of any of the secured obligations, is so applied.

Duties Owed

Pursuant to the Intercreditor Agreement, each of the secured parties and the Debtors acknowledges that, in the event that the applicable Security Agent enforces, or is instructed to enforce, the security prior to the applicable discharge date, the duties of the applicable Security Agent and of any receiver or delegate owed to any Senior Lender Finance Party or Senior Secured Creditor in respect of the method, type and timing of that enforcement or of the exploitation, management or realization of any of that security shall be no different to or greater than the duty that is owed by the applicable Security Agent, receiver or delegate to the Debtors under general law.

Exercise of Voting Rights

Each Primary Creditor (including the Trustee and holders of the Notes) agrees (to the fullest extent permitted by law at the relevant time) with the applicable Security Agent that it will 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 or rehabilitation or similar proceedings relating to any member of the Group as instructed by the applicable Security Agent. The applicable Security Agent shall give instructions for the purposes of this paragraph as directed by an Instructing Group.

Security Held by Other Creditors

If any security is held by a creditor other than the applicable Security Agent, then creditors may only enforce that security in accordance with instructions given by an Instructing Group in accordance with the Intercreditor Agreement.

Asset Disposals

If any Debtor disposes of any asset subject to the Transaction Security in a manner that is permitted by the documents governing the Senior Lender Liabilities and the Senior Secured Liabilities, or enters into a merger or other reorganization transaction permitted by such documents, the applicable Security Agent shall, subject to certain conditions, release the security interests created by the relevant security documents to the extent necessary to give effect to such disposal or other transaction. If such transaction involves the disposal of shares of a company (other than the Company), the applicable Security Agent shall also release any guarantee given by such company or any security interests over such company's assets created by the relevant security documents.

In connection with a disposal of an asset subject to Transaction Security other than a Distressed Disposal (defined below), if any disposal proceeds are required to be applied in mandatory prepayment of the Senior Lender Liabilities, the Senior Secured Liabilities or the Senior Subordinated Liabilities (as applicable) then, subject to the terms of the Intercreditor Agreement, the disposal proceeds shall be applied in or towards payment of (or to the extent applicable under the relevant debt document the making of an offer of payment):

(i) first, on a *pro rata* basis, (x) in respect of Disposal Proceeds that are required to be applied in mandatory prepayment of the Senior Lender Liabilities, the Senior Lender Liabilities in accordance with the terms of the Senior Facilities Agreement and (y) in respect of Disposal Proceeds that are required to be applied in mandatory prepayment of the Senior Secured Liabilities, the Senior Secured Liabilities in accordance with the terms of the Senior Secured Finance Documents (without, in each case, any obligation to apply those amounts towards the Senior Subordinated Liabilities); and

(ii) second, after the discharge in full of the Senior Lender Liabilities and the Senior Secured Liabilities, the Senior Subordinated Liabilities in accordance with the terms of the documents governing them,

A "Distressed Disposal" is a disposal of an asset or shares of a member of the Group or a third party which is not a Debtor (a "Third Party Chargor") that secures Senior Lender Liabilities or Senior Secured Liabilities which is (a) being effected at the request of an Instructing Group in circumstances where the transaction security has become enforceable, (b) being effected by enforcement of the transaction security or (c) subject to the transaction security which is being effected, after the occurrence of a Distress Event, by a Debtor or a Third Party Chargor to a person that is not a member of the Group.

The net proceeds of each Distressed Disposal (and the net proceeds of any disposal of liabilities or Debtor liabilities) shall be paid to the Senior Secured Security Agent for application in accordance with the provisions set out under "—*Application of Proceeds*" as if those proceeds were the proceeds of an enforcement of the security and, to the extent that any disposal of liabilities or Debtor liabilities has occurred, as if that disposal of liabilities or Debtor liabilities had not occurred.

In the case of a Distressed Disposal (other than a Distressed Disposal of an asset subject to the Senior Lender Security) (or a disposal of liabilities other than the Senior Lender Liabilities) effected by, or at the request of, the Senior Secured Security Agent (acting in accordance with the Intercreditor Agreement), the Senior Secured Security Agent shall take reasonable care to obtain a fair market price in the prevailing market conditions (though the Senior Secured Security Agent shall not have any obligation to postpone any such Distressed Disposal or disposal of liabilities in order to achieve a higher price).

Where borrowing liabilities in respect of any Senior Secured Debt would otherwise be released pursuant to the Intercreditor Agreement, the creditor concerned may elect to have those borrowing liabilities transferred to the Company, in which case the Senior Secured Security Agent is irrevocably authorized (at the cost of the relevant Debtor or the Company and without any consent, sanction, authority or further confirmation from any creditor or Debtor) to execute such documents as are required to so transfer those borrowing liabilities.

If before the Senior Subordinated Discharge Date, a Distressed Disposal is being effected such that the Senior Subordinated Guarantees or assets of a Senior Subordinated Guarantor will be released pursuant to the Intercreditor Agreement, it is a further condition to the release that either:

- the Senior Subordinated Creditor Representative has approved the release; or
- where shares or assets of a Senior Subordinated Guarantor are sold:

  (A) the proceeds of such sale or disposal are in cash (or substantially in cash) and/or other marketable securities or, if the proceeds of such sale or disposal are not in cash (or substantially in cash) and/or other marketable securities, the requirements of paragraph (C) below are satisfied;

  (B) all claims of the Senior Secured Creditors against a member of the Group (if any), all of whose shares are pledged in favor of the Senior Secured Creditors are sold or disposed of pursuant to such Enforcement Action, are unconditionally released and discharged or sold or disposed of concurrently with such sale (and are not assumed by the purchaser or one of its affiliates), and all security under the security documents in respect of the assets that are sold or disposed of is simultaneously and unconditionally released and discharged concurrently with such sale, provided that in the event of a sale or disposal of any such claim (instead of a release or discharge):

    (I) the Creditor Representatives for the Senior Secured Creditors (other than Hedge Counterparties) (the "Relevant Creditor Representatives") determine, acting reasonably and in good faith, that the Senior Secured Finance Parties will recover more than if such claim was released or discharged; and

    (II) the Relevant Creditor Representatives serve a notice on the Senior Secured Security Agent notifying the applicable Security Agent of the same,

  in which case the Senior Secured Security Agent shall be entitled immediately to sell and transfer such claim to such purchaser (or an affiliate of such purchaser); and

  (C) such sale or disposal (including any sale or disposal of any claim) is made to a public or private auction or other competitive process.

Application of Proceeds

Senior Lender Security

The Intercreditor Agreement provides that all amounts from time to time received or recovered by the applicable Security Agent pursuant to the terms of any document relating to the Senior Lender Security or in connection with the realization or enforcement of all or any part of the Senior Lender Security shall be held by the applicable Security Agent on trust, to the extent legally permitted, to apply them at any time as the applicable Security Agent (in its discretion) sees fit, to the extent permitted by applicable law (following the occurrence of an acceleration event or enforcement of any Transaction Security and subject to the establishment of certain reserves for amounts the Security Agent reasonably considers might become due or owing at any time in the future), in the following order of priority:

(i) to the payment of fees, costs and expenses due to the applicable Security Agent and any applicable receiver or delegate;

(ii) to the payment of amounts due to any Creditor Representatives of the Senior Lenders;

(iii) to pay costs and expenses incurred in connection with such enforcement or realization taken in accordance with the terms of the Intercreditor Agreement or at the request of the Security Agent;

(iv) in payment of the Senior Lender Liabilities; and

(v) the balance, if any, in payment to the relevant Debtor.

Senior Secured Security

The Intercreditor Agreement provides that all amounts from time to time received or recovered by the applicable Security Agent pursuant to the terms of any document relating to the Senior Secured Security or in connection with the realization or enforcement of all or any part of the Senior Secured Security shall be held by the applicable Security Agent on trust, to the extent legally permitted, to apply them at any time as the applicable Security Agent (in its discretion) sees fit, to the extent permitted by applicable law (following the occurrence of an acceleration event or enforcement of any Transaction Security and subject to the provisions of the establishment of certain reserves for amounts the Security Agent reasonably considers might become due or owing at any time in the future), in the following order of priority:

(i) to the payment of fees, costs and expenses due to the applicable Security Agent and the Senior Secured Notes Trustee and any applicable receiver or delegate;

(ii) to pay costs and expenses incurred in connection with such enforcement or realization taken in accordance with the terms of the Intercreditor Agreement or at the request of the Security Agent;

(iii) in payment of the Senior Secured Liabilities (including Hedging Liabilities) on a pro rata basis; and

(iv) the balance, if any, in payment to the relevant Debtor.

Other Recoveries

The Intercreditor Agreement provides that all amounts from time to time received or recovered by the applicable Security Agent other than in connection with the realization or enforcement of all or any part of the Senior Lender Security or Senior Secured Security shall be held by the applicable Security Agent on trust, to the extent legally permitted, to apply them at any time as the applicable Security Agent (in its discretion) sees fit, to the extent permitted by applicable law (following the occurrence of an acceleration event or enforcement of any Transaction Security and subject to the provisions of the establishment of certain reserves for amounts the Security Agent reasonably considers might become due or owing at any time in the future), in the following order of priority:

(i) to the payment of fees, costs and expenses due to the applicable Security Agent, any Creditor Representative(s) and any applicable receiver or delegate;

(ii) to pay costs and expenses incurred in connection with the realization of such proceeds;

(iii) in payment of the Senior Lender Liabilities, the Senior Secured Liabilities and the Hedging Liabilities on a pro rata basis;

(iv) to the extent resulting from the enforcement of any guarantee of the Senior Subordinated Liabilities, to the payment of such liabilities; and

(v) the balance, if any, in payment to the relevant Debtor.

Refinancing of Primary Creditor Liabilities

The Intercreditor Agreement provides that the Company and any Debtor may refinance any of the Senior Lender Liabilities or the Senior Secured Liabilities, to the extent permitted by the documents relating thereto. Any such refinanced debt will become part of the Senior Lender Liabilities or the Senior Secured Liabilities (as the case may be), and shall benefit from the same security and/or guarantees. The Senior Subordinated Liabilities may, to the extent permitted by the relevant financing documents, be refinanced with the proceeds or utilization of (without limitation) the issuance or borrowing of new senior subordinated liabilities or new senior secured notes.

Required Consents

The Intercreditor Agreement provides that, subject to certain exceptions, it may be amended or waived only with the consent of the Senior Agent, the Senior Secured Notes Trustees, the Senior Subordinated Creditor Representative, the Trustee, the relevant Additional Senior Secured Creditor Representatives and each Security Agent.

Any amendment or waiver of the Intercreditor Agreement that has the effect of changing or which relates to, among other things, the provisions set out under the caption "—*Application of Proceeds*" and the order of priority or subordination under the Intercreditor Agreement shall not be made without the consent of:

(i) the Senior Agent, the Senior Secured Notes Trustee, the Senior Subordinated Notes Trustee, the Trustee and the other Creditor Representatives;

(ii) the Senior Lenders;

(iii) the Senior Secured Creditors, including the holders of the Notes (to the extent that the amendment or waiver would materially and adversely affect such creditors);

(iv) the Additional Senior Secured Creditors (to the extent that the amendment or waiver would materially and adversely affect such creditors);

(v) the Senior Subordinated Noteholders (to the extent that the amendment or waiver would materially and adversely affect such creditors);

(vi) the Additional Senior Subordinated Creditors (to the extent that the amendment or waiver would materially and adversely affect such creditors);

(vii) each hedge counterparty (to the extent that the amendment or waiver would adversely affect the hedge counterparty); and

(viii) each Security Agent.

The Intercreditor Agreement may be amended by the Senior Agent, the Senior Secured Notes Trustee, the Trustee, the Senior Subordinated Creditor Representative, the Additional Senior Subordinated Creditor Representative(s), the Additional Senior Secured Creditor Representatives and each Security Agent, without the consent of any other party, to cure defects, resolve ambiguities or reflect changes in each case of a minor technical or administrative nature or as otherwise prescribed by the relevant finance documents.

The Senior Secured Notes Trustee, the Trustee and the Senior Subordinated Notes Trustee shall, to the extent consented to by the requisite percentage of noteholders in accordance with the relevant indenture, act on such instructions in accordance therewith unless to the extent any amendments so consented to relate to any provision affecting the rights and obligations of a notes trustee in its capacity as such.

Amendments and Waivers: Security Documents

Subject to the paragraph below and to certain exceptions under the Intercreditor Agreement and unless the provisions of any debt document expressly provide otherwise, the applicable Security Agent may, if authorized by an Instructing Group, and if the Company consents, amend the terms of, waive any of the requirements of or grant consents under, any of the security documents which shall be binding on each party.

Subject to the second and third paragraphs of the section captioned "—*Exceptions*" below, the prior consent of the Senior Lenders or the Senior Secured Creditors is required to authorize any amendment or waiver of, or consent under, any Senior Lender Security document or Senior Secured Security document, as the case may be, which would adversely affect the nature or scope of the charged property or the manner in which the proceeds of enforcement of the security are distributed.

Exceptions

Subject to the third and fourth paragraphs under this caption "—*Exceptions,*" if the amendment, waiver or consent may impose new or additional obligations on, or withdraw or reduce the rights of, any party other than:

(i) in the case of a Primary Creditor, in a way which affects, or would affect, Primary Creditors of that party's class generally; or

(ii) in the case of a Debtor or a Third Party Chargor, to the extent consented to by the Company under the Intercreditor Agreement,

the consent of that party is required.

Subject to the two paragraphs immediately below, an amendment, waiver or consent which relates to the rights or obligations of an Agent, an Arranger, a Security Agent (including, without limitation, any ability of the applicable Security Agent to act in its discretion under the Intercreditor Agreement) or a hedge counterparty which is party to the Intercreditor Agreement may not be effected without the consent of that Agent or, as the case may be, that Arranger, Security Agent or such hedge counterparty which is party to the Intercreditor Agreement.

Neither of the two immediately preceding paragraphs nor the second paragraph under the caption "—*Amendments and Waivers: Security Documents*" shall apply:

- to any release of transaction security, claim or liabilities; or
- to any consent,

which, in each case, the applicable Security Agent gives in accordance with the provisions set out in the caption "—*Applications of Proceeds*" above.

The first two paragraphs under this caption "—*Exceptions*" apply to an Arranger only if any liabilities are then owed to such Arranger under the debt documents.

Snooze/Lose

Subject to certain exceptions, if in relation to a request for a consent, a request to participate in a vote of a class of creditors, a request to approve any action or a request for a confirmation or notification, in each case, under the Intercreditor Agreement, a Primary Creditor fails to respond to the request within 10 business days or fails to provide details of its credit participation, such Primary Creditor will be disregarded or be deemed to have zero participation or outstandings in respect of the matter or be deemed to have provided the relevant confirmation or notification, as applicable.

Agreement to Override

Unless expressly stated otherwise in the Intercreditor Agreement, the Intercreditor Agreement overrides anything in the debt documents to the contrary.

Super Senior Intercreditor Agreement

Introduction

In connection with and for the purposes of the occurrence of the Super Senior Conversion Date, and in connection with the relative rights of certain creditors under the financing arrangements, the then parties to the Intercreditor Agreement will enter into an intercreditor agreement (the "Super Senior Intercreditor Agreement") in substitution for the Intercreditor Agreement, which will contain provisions which reflect the following (together, the "Super Senior Intercreditor Principles").

The Super Senior Intercreditor Agreement will set 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 actions 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 actions and other amounts received by the Security Agent.

The Super Senior Intercreditor Agreement will also contain 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 Senior Subordinated Note Documents and entered into by the Issuer and/or any other Debtor 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 Super Senior Intercreditor Agreement (such indebtedness, together with the Facility Agreement, 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"); and
- indebtedness entitled to be treated *pari passu* with the Senior Secured Notes (excluding Hedging Liabilities) in respect of the Transaction Security and under the terms of the Intercreditor Agreement (such indebtedness, together with the Senior Secured 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").

The following is a summary of the key provisions to be included in the Super Senior Intercreditor Agreement. By becoming a Finance Party under the Revolving Credit Facility Agreement, such party shall be deemed to have authorized the Security Agent to negotiate and agree to and accept the terms and conditions of the Super Senior Intercreditor Agreement and to authorize and instruct the Facility Agent and the Security Agent to terminate the 2014 Intercreditor Agreement and enter into the Super Senior Intercreditor Agreement on its behalf on the Super Senior Conversion Date. The Indenture will provide that each holder of the Notes, by accepting a Note, shall be deemed to have agreed to and accepted the terms and conditions of a Super Senior Intercreditor Agreement and authorized the Trustee and the Security Agent to enter into the Super Senior Intercreditor Agreement. See "*Description of the Notes—Additional Intercreditor Agreements*".

Ranking and Priority

Ranking and Priority of Liabilities

The Super Senior Intercreditor Agreement will provide 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, Pari Passu Debt Liabilities and Senior Subordinated Note Liabilities (provided that the notional amounts relating thereto constitute Designated Super Senior Hedged Amounts under the Super Senior Intercreditor Agreement and that the aggregate amount of all Designated Super Senior Hedged Amounts do not exceed the aggregate nominal amount of the Credit Facility Liabilities, Pari Passu Debt Liabilities and Senior Subordinated Note 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 any "Senior Subordinated Note Trustee Amounts," consisting of certain fees, costs and expenses payable to the trustee for its own account under any Senior Subordinated Notes Documents or incurred by it in connection with any actual or attempted Enforcement Action which is permitted under the

Super Senior Intercreditor Agreement and recoverable pursuant to the terms of the Debt Documents (the "Senior 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 any Senior Subordinated Notes and certain other indebtedness permitted to rank *pari passu* without any preference between them (the "Senior Subordinated Note Liabilities," and the holders of such Senior Subordinated Note Liabilities, the "Senior Subordinated Note Creditors" and each finance document relating thereto, a "Senior Subordinated Note Document") (excluding any Senior Subordinated Note Trustee Amounts).

The Super Senior Intercreditor Agreement will also provide that certain intercompany obligations of the Issuer and certain of its subsidiaries to other members of the Group (the "Intra-Group Liabilities") and liabilities owed to certain shareholders of the Issuer under Investor Documents (being each document evidencing any loan made by an Investor Creditor to the Issuer or other indebtedness incurred by the Issuer to an Investor Creditor which would, save for exclusion of "Subordinated Shareholder Debt" in the definition of "Financial Indebtedness", constitute "Financial Indebtedness") ("Investor Liabilities") are postponed and subordinated to the liabilities owed by the Debtors to the Super Senior Creditors, the Pari Passu Creditors and the Senior Subordinated Note Creditors (such creditors together, the "Primary Creditors").

Subject to the section below entitled "*—Application of proceeds*", the Super Senior Intercreditor Agreement will not prevent payment by the Debtors of certain fees, costs and expenses (to be set out in further detail in the Super Senior Intercreditor Agreement) owing to the representatives of the creditors in relation to the Credit Facility Liabilities, the Pari Passu Debt Liabilities and the Senior Subordinated Note Liabilities (each such representative, a "Creditor Representative").

Ranking and Priority of Transaction Security

The Super Senior Intercreditor Agreement will provide 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, any Senior Subordinated Note Trustee Amounts and certain Liabilities payable to the Security Agent, *pari passu* and without any preference between them; and

- *second*, any Senior Subordinated Note Liabilities (excluding any Senior Subordinated Note Trustee Amounts).

Under the Super Senior Intercreditor Agreement, the proceeds from an enforcement of Transaction Security shall be required to be applied as provided under the section below entitled "*—Application of proceeds*".

Restrictions on Credit Facility Liabilities, Pari Passu Debt Liabilities, Senior Subordinated Note Liabilities, Investor Liabilities and Intra-Group 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 Super Senior Intercreditor Agreement will impose 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: senior subordinated note liabilities

The Super Senior Intercreditor Agreement will restrict any member of the Group from making payments in respect of any Senior 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 later 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 Senior Subordinated Note Liabilities in accordance with the Senior Subordinated Note Documents if:

(a) (i) the payment is of any of the principal amount (including capitalized interest and/or redemption premium) of any Senior Subordinated Note Liabilities or any other amount which is not an amount of principal or capitalized interest (such other amounts including all scheduled interest payments (including, if applicable, special interest (or liquidated damages)), default interest on such Senior Subordinated Note Liabilities accrued and payable in cash in accordance with the terms of the relevant Senior Subordinated Note Document (as at the date of issue of the same or as amended in accordance with the terms of the Super Senior Intercreditor Agreement and the other Debt Documents), additional amounts payable as a result of the tax gross-up provisions relating to such Senior Subordinated Note Liabilities and amounts in respect of currency indemnities in the Senior Subordinated Note Indenture; (ii) no Senior Subordinated Note Payment Stop Notice (as defined below) is outstanding; and (iii) no default arising by reason of non-payment under any Credit Facility Document, Pari Passu Debt Document or Hedging Agreement (together, the "Senior Secured Finance Documents") 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 such term will be defined in the Super Senior Intercreditor Agreement) (the "Required Pari Passu Creditors") give prior consent to that payment being made; or

(c) the payment is of any Senior Subordinated Note Trustee Amount; or

(d) the payment is of costs, commissions, taxes and expenses reasonably incurred (with documented evidence thereof) in respect of any Senior Subordinated Note Documents.

On or after the Senior Secured Discharge Date, payments may be made to the Senior Subordinated Note Creditors in respect of any Senior Subordinated Note Liabilities in accordance with the Senior Subordinated Note Documents.

Permitted payments: senior subordinated note liabilities—issue of senior subordinated note payment stop notice

A Senior 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 "Senior Subordinated Note Payment Stop Event"), any Creditor Representative (other than the Senior Subordinated Note Trustee) (acting on the instructions of the Majority Credit Facility Lenders or the Required Pari Passu Creditors) (a "Relevant Representative") delivers a written notice (a "Senior Subordinated Note Payment Stop Notice") to a Responsible Officer of the Senior Subordinated Note Trustee and the Security Agent (with a copy to the Issuer) advising that that Senior 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 Senior Subordinated Note Payment Stop Notice; (ii) if a Senior Subordinated Note Standstill Period commences after the issue of a Senior Subordinated Note Payment Stop Notice, the date on which that Senior Subordinated Note Standstill Period (as defined below) expires; (iii) the date on which the Senior Subordinated Note Payment Stop Event in respect of which that Senior 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 Senior Subordinated Note Payment Stop Notice by notice to a Responsible Officer of the Senior 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 Senior Subordinated Note Creditor takes any enforcement action that it is permitted to take under the Super Senior Intercreditor Agreement.

The ability of a Relevant Representative to deliver a Senior Subordinated Note Payment Stop Notice will be subject to certain conditions, including that: (i) a new Senior Subordinated Note Payment Stop Notice may not be delivered unless and until 360 days have elapsed since the delivery of the immediately prior Senior Subordinated Note Payment Stop Notice and (ii) no Senior Subordinated Note Payment Stop Notice may be delivered in reliance on a Senior Subordinated Note Payment Stop Event more than 60 days after the date each Relevant Representative received notice of that Senior Subordinated Note Payment Stop Event.

Permitted enforcement: senior subordinated note creditors

The Super Senior Intercreditor Agreement will restrict Senior Subordinated Note Creditors from taking any enforcement action in respect of any Senior Subordinated Note Liabilities prior to the Senior Secured Discharge Date, except in certain circumstances as summarized below.

The Senior Subordinated Note Creditors may take enforcement action in respect of any Senior Subordinated Note Liabilities if, at the same time as or prior to that action (and subject to other customary conditions): (i) the Senior Subordinated Note Trustee has given notice (a "Senior Subordinated Note Enforcement Notice") to each Relevant Representative and the Security Agent specifying that an event of default under the relevant Senior Subordinated Note Documents has occurred and is continuing; (ii) a period (a "Senior Subordinated Note Standstill Period") of not less than 179 days has elapsed from the date on which that Senior Subordinated Note Enforcement Notice becomes effective and (iii) the relevant event of default is continuing at the end of the Senior Subordinated Note Standstill Period.

The Senior Subordinated Note Creditors may also take certain limited enforcement action: (i) in circumstances where the Senior Secured Creditors has taken enforcement action in relation to the Issuer (provided that the Senior 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 other customary 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 Senior Subordinated Note Creditor).

Ensuring priority of pari passu debt

The Security Agent will be authorized to effect an amendment, replacement or other modification, replacement or release of any Transaction Security over any asset under the applicable Transaction Security Documents to ensure that the Pari Passu Debt Liabilities may be secured with the ranking of contemplated in accordance with the terms of the Super Senior Intercreditor Agreement, provided that:

- without prejudice to any consent to be obtained under the Credit Facility Documents and other Pari Passu Debt Documents (as the case may be), if an Event of Default under a Credit Facility (that is not to be refinanced or replaced in whole) is continuing at that time, the requisite consent under the Credit Facility is obtained;

- immediately upon any such release of Transaction Security, new Transaction Security will be provided in favor of the providers of such Pari Passu Debt Liabilities and the relevant existing Secured Parties on terms substantially the same as the terms of the Transaction Security Documents released and subject to the same ranking as set out in the Super Senior Intercreditor Agreement; and

- contemporaneously with such amendment, extension, replacement, restatement, supplement, modification, renewal or release (followed by an immediate retaking of Security of at least equivalent ranking over the same assets), the Issuer delivers to the Security Agent, either a solvency opinion from an internationally recognized investment bank or accounting firm or an opinion of counsel.

No Secured Party will be required to release any Transaction Security under the Transaction Security Documents where such release under this section "Ensuring priority of pari passu debt" may result in such Secured Party incurring any hardening period risk in respect of any such Transaction Security if and to the extent that the Pari Passu Debt Liabilities: (i) can be secured by lower ranking Security in favor of the Secured Parties and (ii) can be secured by such lower ranking Security with the ranking contemplated under the Super Senior Intercreditor Agreement.

Major terms: senior subordinated notes

No liabilities shall constitute Senior Subordinated Notes for the purposes of the Super Senior Intercreditor Agreement unless the following conditions are satisfied:

- the only issuer or borrower of the Senior Subordinated Notes shall be the Issuer and no other member of the Group may be a co-issuer of the Senior Subordinated Notes; and

- the original maturity date of the Senior Subordinated Notes is not earlier than the date falling 6 months after the final maturity date of the Pari Passu debt Liabilities (other than in respect of the initial maturity for a bridge facility or an interim facility in relation to any Senior Subordinated Notes but only to the extent the applicable maturity following the conversion date in respect of thereof meets such condition).

The Security Agent is authorized to effect an amendment, replacement or other modification, replacement or release of any Transaction Security over any asset under the applicable Transaction Security Documents to ensure that the Senior Subordinated Notes may be secured with the ranking of the terms thereof, provided that:

- without prejudice to any consent to be obtained under the Senior Subordinated Note Documents, if an Event of Default under Senior Subordinated Note Documents (that is not to be refinanced or replaced in whole) is continuing at that time, the requisite consent under the Senior Subordinated Note Documents is obtained;

- immediately upon any such release of Transaction Security, new Transaction Security will be provided in favor of the Senior Subordinated Note Creditors in respect of such Senior Subordinated Notes and the relevant existing Secured Parties on terms substantially the same as the terms of the Transaction Security Documents released and subject to the same ranking as set out in the Super Senior Intercreditor Agreement; and

- contemporaneously with such amendment, extension, replacement, restatement, supplement, modification, renewal or release (followed by an immediate retaking of Security of at least equivalent ranking over the same assets), the Issuer delivers to the Security Agent, either a solvency opinion from an internationally recognized investment bank or accounting firm or an opinion of counsel.

No Secured Party will be required to release any Transaction Security under the Transaction Security Documents where such release under this section "*—Major terms: senior subordinated notes*" may result in such Secured Party incurring any hardening period risk in respect of any such Transaction Security if and to the extent that the Senior Subordinated Notes: (i) can be secured by lower ranking Security in favor of the Secured Parties and (ii) can be secured by such lower ranking Security with the ranking contemplated under the Super Senior Intercreditor Agreement.

The Senior Subordinated Note Creditors (and the Debtors) may amend or waive the terms of the Senior Subordinated Note Documents in accordance with their terms (and subject to any consent required under them) at any time.

Prior to the Senior Secured Discharge Date, the Senior Subordinated Note Creditors and the Debtors may not amend or waive (or agree to amend or waive) the terms of any documents or instruments pursuant to which Senior Subordinated Note Liabilities are constituted, unless:

- that amendment or waiver is not materially adverse to the interests of the Senior Secured Creditors;

- that amendment or waiver would not result in the terms of the Senior Subordinated Notes Documents not complying with the major terms set out in this section "*—Major terms: senior subordinated notes*" and is permitted or not prohibited by the Credit Facility Documents, the Senior Secured Finance Documents, the Pari Passu Debt and the Senior Subordinated Notes Finance Documents; and

- provided that prior to the Senior Secured Discharge Date, the Senior Subordinated Note Creditors (and the Debtors) may not amend or waive (or agree to amend or waive) the maturity date of the Senior Subordinated Notes so as to shorten the original maturity of the Senior Subordinated Notes to be earlier than the date falling 6 months after the latest maturity date of any Senior Secured Debt Liabilities as in existence at the time the Senior Subordinated Notes were issued.

Restrictions on investor liabilities and intra-group liabilities

Restriction on payment: investor liabilities

Prior to the Final Discharge Date, the Issuer shall not 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 Issuer may make payments in respect of the Investor Liabilities then due if:

- the payment is permitted pursuant to the Credit Facility Agreement(s), the Pari Passu Facility Agreement(s), the Pari Passu Note Indenture(s) and the Senior Subordinated Note Indenture(s); or

- the Majority Credit Facility Lenders and the Required Pari Passu Creditors or, after the Senior Discharge Date, the Majority Senior Subordinated Note Creditors, each consent to such payment being made.

Restriction on payment: intra-group liabilities

Prior to the Senior Secured 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 Super Senior Intercreditor Agreement.

Permitted payments: intra-group liabilities

The Debtors and other members of the Group may make payments in respect of Intra-Group Liabilities when due provided that payments in respect of Intra-Group Liabilities may not be made if, at the time of payment, an Acceleration Event has occurred, unless:

- prior to the Senior Secured Discharge Date, the Majority Credit Facility Lenders and the Required Pari Passu Creditors and the Senior Subordinated Note Discharge Date, the Majority Senior Subordinated Note Creditors, consent to that Payment being made; or

- 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 Senior Subordinated Note Payment.

No payment of principal may be made in respect of:

- the Pari Passu Structural Intra-Group Liabilities by a Debtor thereunder unless such payment is made to facilitate the making of a payment by the Issuer under any Pari Passu Debt, which was downstreamed to such Debtor under such Pari Passu Structural Intra-Group Liabilities; and

- the Senior Subordinated Notes Structural Intra-Group Liabilities by a Debtor thereunder unless such payment is made to facilitate the making of a payment by the Parent under any Pari Passu Debt and/or Senior Subordinated Notes.

The Structural Intra-Group Liabilities Lenders shall not sell, factor, discount, transfer, assign or otherwise dispose of any of its right, title or interest in or to the Structural Intra-Group Liabilities.

In addition, the Structural Intra-Group Liabilities Lenders shall not amend or modify the acceleration rights they have in connection with the Structural Intra-Group Liabilities, amend the Structural Intra-Group Liabilities in a manner which would reduce the principal amount thereof (unless such reduction would constitute a payment permitted under this section "*Permitted payments: intra-group liabilities*"), reduce the maturity date of the Structural Intra-Group Liabilities, add any scheduled repayment obligations or make any such modifications to the Structural Intra-Group Liabilities which will be prejudicial to the Primary Creditors.

Notwithstanding the foregoing, Structural Intra-Group Liabilities may be cancelled, forgiven or otherwise repaid, released or discharged:

- in respect of any Pari Passu Structural Intra-Group Liabilities, upon the occurrence of the Pari Passu Discharge Date or the defeasance of all Pari Passu Liabilities in accordance with the Debt Documents;
- in respect of any Senior Subordinated Note Structural Intra-Group Liabilities, upon the occurrence of the Senior Subordinated Note Discharge Date or the defeasance of all Senior Subordinated Note Liabilities in accordance with the Debt Documents;
- to the extent such cancellation, forgiveness, repayment, release or discharge, whether by capitalization or prepayment:
- is applied *pro rata* to the Structural Intra-Group Liabilities, after it has been applied to any Intra-Group Liabilities at the relevant time that do not constitute Structural Intra-Group Liabilities;
- is necessary to comply with applicable tax regulations regarding the deductibility of interest expense, as confirmed by a leading tax firm advising the Issuer; and
- is only applied up to the amount of Structural Intra-Group Liabilities raising such interest deductibility issues, as evidenced by calculations provided for by the tax advisor referred to in the preceding sub-paragraph.

Enforcement of Transaction Security

The 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

Subject to certain customary exceptions including those summarized in the sections below entitled "—*Enforcement of transaction security: majority super senior creditors*" and "—*Enforcement of transaction security: majority senior 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 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 not either 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) or 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;

(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 not either 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) or 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 (set out in 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 senior subordinated note creditors

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 Senior Subordinated Note Liabilities) which the requisite majority of Senior Subordinated Note Creditors (the "Majority Senior Subordinated Note Creditors") are then entitled to give in accordance with the section above entitled "—*Restrictions on credit facility liabilities, pari passu debt liabilities and senior subordinated note liabilities—permitted enforcement: senior 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.

Notwithstanding the above paragraph, if at any time the Majority Senior 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 Senior 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).

Following the Senior Secured Discharge Date, any Enforcement Instructions with respect to the Common Transaction Security may be given by the then applicable Instructing Group.

Exercise of voting rights and power of attorney

(i) Each creditor in respect of the Intra-Group Liabilities (solely in its capacity as a creditor in respect of Intra-Group Liabilities) and (ii) creditor in respect of the Investor Liabilities (solely in its capacity as a creditor in respect of Investor Liabilities) and (iii) (insofar as it relates to the enforcement, protection or preservation of the Common Transaction Security securing the Senior Subordinated Note Liabilities) each Senior 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 Super Senior Intercreditor Agreement). Each creditor referred to in sub-paragraphs (i) and (ii), together with the Debtors, irrevocably appoints the Security Agent to be its attorney to do anything which that creditor, or Debtor (as the case may be), has authorized the Security Agent to do under the Super Senior Intercreditor Agreement or is itself required to do under the Super Senior Intercreditor Agreement but has failed to do (including casting any vote as described above).

No Primary Creditor will be required to exercise such power of voting or representation to waive, reduce, discharge, extend the due date for (or change the basis for accrual of any) payment of or reschedule any of the Liabilities owed to that Primary Creditor.

Payment of soulte

"Foreclosure" means the enforcement of any Transaction Security as a result of which the relevant foreclosed assets are owned either by Secured Parties or any Representative on their behalf following an Appropriation (including pursuant to a *pacte commissoire* or by judicial foreclosure) in favor of, or attribution to, Secured Parties (or any Representative on their behalf), in accordance with the relevant Transaction Security Documents.

"*Soulte*" means, in relation to any enforcement action of Transaction Security occurring by way of contractual or judicial foreclosure or appropriation (including, pursuant to a *pacte commissoire* or any similar enforcement mechanism), the amount by which the value of the assets appropriated or foreclosed pursuant to that enforcement exceeds the amount of the Liabilities secured by that Transaction Security Document which is discharged as a result of that enforcement being carried out.

If, in the context of a Foreclosure, a *Soulte* is owed by the Secured Parties to any grantor of Transaction Security or Debtor, such *Soulte* shall be payable:

(a) only by the relevant Secured Creditors having participated in the relevant Foreclosure (pro rata to the amount of Liabilities which have been discharged as a result of such Foreclosure);

(b) only on the earlier of:

  (i) the date which is 10 days after the Final Discharge Date; and

  (ii) the date falling 12 months after the date of such Foreclosure,

provided that in such case, the *Soulte* be paid in accordance with the terms specified below.

For the avoidance of doubt, the obligations of each Secured Party to pay its *Soulte* are several and, in the case of the Security Agent, shall only arise to the extent it has not paid on the Liabilities to which such *Soulte* relates.

Any payment of the *Soulte* to any Debtor, which shall occur prior to the Final Discharge Date, shall be made by the Security Agent in a blocked bank account opened in the name of, and selected by, such Debtor and pledged pursuant to a Transaction Security Document substantially in the form of the pledges over bank accounts previously entered into pursuant to the Facility Agreement in favor of the Secured Parties as security for any obligation of the relevant Debtor under any of the Debt Documents to which they are parties including any obligation under the Super Senior Intercreditor Agreement to pay back any Recoveries by the Debtor prior to the Final Discharge Date in accordance with the provisions of the Super Senior Intercreditor Agreement.

Each of the Debtors shall authorize the Security Agent to make from such pledged bank account any payment required to be fulfilled under the Super Senior Intercreditor Agreement or any other Debt Documents (including pursuant to any obligations under section below entitled "—*Turnover*").

If, for any reason, following a Foreclosure, certain Secured Parties have not paid their *Soulte* Share, such Secured Parties will make such payments amongst 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 Foreclosure in the proportions which their respective exposures at the date of the Foreclosure bore to the aggregate exposures of all such Secured Parties at the date of the Foreclosure.

Enforcement principles

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 such enforcement principles).

The enforcement principles set out in the Super Senior Intercreditor Agreement shall 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 and with the rights and obligations of the Security Agent under the terms of the Super Senior Intercreditor Agreement and under applicable laws, the value realized from enforcement (the "Enforcement Objective"), provided that the Security Agent shall have no obligation to postpone (or request the postponement of) any Distressed Disposal 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 (unless the Majority Super Senior Creditors (or, where the relevant amendment or waiver would result in any Super Senior Creditor being treated in a manner inconsistent with the treatment proposed to be applied to any other Super Senior Creditor, all the Super Senior Creditors) agree otherwise);

(d) to the extent the Instructing Group is the Majority Senior Subordinated Note Creditors, either: 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 sufficient proceeds from enforcement will be received by the Security Agent in cash to ensure that, when the proceeds are applied in accordance with the section below entitled "—*Application of proceeds*", the Super Senior Discharge Date and Pari Passu Debt Discharge Date will occur (unless the Majority Super Senior Creditors and Majority Pari Passu Creditors (or, where the relevant amendment or waiver would result in any Super Senior Creditor or Pari Passu Creditor being treated in a manner inconsistent with the treatment proposed to be applied to any other Super Senior Creditor, all the Super Senior Creditors and the Pari Passu Creditors) agree otherwise);

(e) 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 €10,000,000 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;

(f) the Security Agent shall not be under any obligation to appoint a financial adviser or to seek the advice of a financial adviser unless expressly required to do so by the enforcement principles or other provisions of the Super Senior Intercreditor Agreement;

(g) the fairness opinion on enforcement (stating that the proceeds received or recovered in connection with that enforcement are fair from a financial point of view, taking into account all relevant circumstances, and on the optimal method of enforcing the Transaction Security so as to achieve the Enforcement Objective and maximize the recovery of any such Enforcement) (or any equivalent opinion obtained by the Security Agent in relation to any other enforcement of the Transaction Security that such action is fair from a financial point of view after taking into account all relevant circumstances) will be conclusive evidence that the Enforcement Objective has been met;

(h) if the Security Agent is unable to obtain a fairness opinion after attempting to do so (and after considering making such modifications to the enforcement process as may be reasonably available and consistent with the enforcement principles to obtain such opinion) because such opinions are not generally available in the market in such circumstances, it shall notify the agent in respect of the Credit Facility and each Representative in respect of the Senior Secured Debt Liabilities or Pari Passu Debt and may proceed to enforce the Transaction Security without needing to demonstrate (by way of a financial adviser's opinion or otherwise) that such enforcement is aiming to achieve the Enforcement Objective; and

(i) if enforcement of any Transaction Security is conducted by way of a public auction, no financial adviser shall be required to be appointed, and no financial adviser's fairness opinion shall be required, in relation to such enforcement provided that the Security Agent shall be entitled (but not obliged) to appoint a financial adviser to provide such advice as the Security Agent deems appropriate in relation to such enforcement by way of public auction.

Release of the guarantees and transaction security

Non-distressed disposal

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 the relevant 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 Senior 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 Super Senior Intercreditor Agreement will provide that the Security Agent is irrevocably authorized and instructed to, among other customary things, release the Transaction Security or any other claim (relating to a Debt Document) 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 the property of that member of the Group, and (to the extent it ceases to be a member of the Group as a result of such disposal), its subsidiaries provided that, in each case, the release of Transaction Security or such claims will only be effective upon the making of the disposal.

Distressed disposal

Where a Distressed Disposal is being effected, the Super Senior Intercreditor Agreement will provide that the Security Agent is irrevocably authorized and instructed, among other customary 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 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 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 part 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, to 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 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 Super Senior Intercreditor Agreement will also include customary limitations on the ability to release the Senior Subordinated Note Liabilities and Transaction Security pledged in favor of any Senior 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 Super Senior Intercreditor Agreement will provide that, if a Distressed Disposal is being effected at a time when the Majority Senior Subordinated Note Creditors are entitled to give, and have given, enforcement instructions in accordance with the section above entitled "*—Enforcement of transaction security—Enforcement of transaction security: majority senior 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 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

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 primary creditors (other than senior subordinated notes creditors)

The Super Senior Intercreditor Agreement will provide that if any of the Senior Secured Creditors receives or recovers (i) any enforcement proceeds (except in accordance with the section below entitled "*—Application of proceeds*") or (ii) 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, 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 for and on behalf of the Security Agent as agent for the Secured Parties 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 Super Senior 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 Super Senior Intercreditor Agreement.

Each Secured Party which is personally liable to participate in the payment of a *Soulte* as a consequence of enforcement of any Transaction Security:

(a) shall be allowed to deduct, and retain, from the amounts payable by it under the general turnover obligations described above an amount equal to the portion of such Soulte payable by it (the "**Soulte Share**"); and

(b) unless that Secured Party has previously discharged its payment obligation in relation to its Soulte Share directly to the relevant provider of Transaction Security, agrees that it will promptly pay to the Security Agent, at such times as the Security Agent shall request, an amount equal to its Soulte Share for payment by the Security Agent to the relevant provider of Transaction Security in accordance with the provisions of section above entitled "*—Enforcement of transaction security—Payment of the soulte*."

Turnover by creditors (other than senior secured creditors)

The Super Senior Intercreditor Agreement shall provide 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 not either a permitted payment under the Super Senior Intercreditor Agreement or 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 Super Senior 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 any other enforcement action or 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, in accordance with the order of application summarized under "—*Application of proceeds*" below;

(d) the proceeds of any enforcement of any Transaction Security, the proceeds of any Distressed Disposal or any Soulte, in each case, 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:

  (i) in relation to receipts or recoveries not received or recovered by way of set-off: (I) hold that amount for and on behalf of the Security Agent as trustee or agent for the Secured Parties and promptly pay that amount to the Security Agent for application in accordance with the terms of the Super Senior 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 Super Senior Intercreditor Agreement; and

  (ii) 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 Super Senior Intercreditor Agreement.

Application of proceeds

The Super Senior Intercreditor Agreement will provide 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 as agent 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 Super Senior 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 Super Senior Intercreditor Agreement or certain action taken at the request of the Security Agent;

(c) in payment to the Security Agent on behalf of the Foreclosed Assets Holders for distribution to each Foreclosed Assets Holder in an amount equal to the amount of its Tax Liabilities;

(d) in payment to the Security Agent on behalf of Foreclosed Assets Holders which have paid all or part of any Soulte in connection with the enforcement of any Transaction Security Document for distribution to each such Foreclosed Assets Holder in an amount equal to the amount of Soulte paid by it;

(e) 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; 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);

(f) 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; 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; 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);

(g) other than in the case of the Common Transaction Security securing Senior Secured Debt Liabilities only, in payment or distribution to the Senior Subordinated Note Trustee in respect of any Senior Subordinated Note Liabilities on its own behalf and on behalf of the Senior Subordinated Noteholders for which it is the Creditor Representative for application towards the discharge of the Senior Subordinated Note Liabilities (in accordance with the terms of the relevant Senior Subordinated Note Documents) on a *pro rata* basis;

(h) in payment or distribution to any Debtor to which a Soulte has been paid or remains payable of an amount equal to such Soulte (and to the extent such Soulte has been already paid by any Secured Parties to such Debtor, only to the extent that such Debtor has turned such Soulte over to the Security Agent in accordance with section above entitled "—*Turnover*;"

(i) 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 Senior 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

(j) the balance, if any, in payment or distribution to the relevant Debtor.

Equalization

The Super Senior Intercreditor Agreement will provide that if, for any reason:

(a) any Super Senior Liabilities remain unpaid after the enforcement date and the resulting losses are not borne by the Super Senior Creditors in the proportions their respective exposures at the enforcement date bore to the aggregate exposures of all the Super Senior Creditors at the enforcement date, the Super Senior Creditors will make such payments among themselves as the Security Agent shall require to put the Super Senior Creditors in such a position that (after taking into account such payments) their losses are borne in those proportions;

(b) any Pari Passu Debt Liabilities remain unpaid after the enforcement date and the resulting losses are not borne by the Pari Passu Creditors in the proportions which their respective Exposures in respect of Pari Passu Debt Liabilities at the enforcement date bore to the aggregate Pari Passu Debt outstanding of all Pari Passu Debt Creditors at the enforcement date, the Pari Passu Debt Creditors will make such payments amongst themselves as the Security Agent shall require to put the Pari Passu Debt Creditors in such a position that (after taking into account such payments) those losses are borne in those proportions; and

(c) any Senior Subordinated Note Liabilities remain unpaid after the enforcement date and the resulting losses are not borne by the Senior Subordinated Note Creditors in the proportions which their respective exposures in respect of Senior Subordinated Note Liabilities at the enforcement date bore to the aggregate outstanding of all Senior Subordinated Note Creditors at the enforcement date, the Senior Subordinated Note Creditors will make such payments amongst themselves as the Security Agent shall require to put the Senior Subordinated Note Creditors in such a position that (after taking into account such payments) those losses are borne in those proportions.

(d) following a Foreclosure certain Secured Parties have not paid their *Soulte* Share, such Secured Parties will make such payments amongst 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

Foreclosure in the proportions which their respective exposures at the date of the Foreclosure bore to the aggregate exposures of all such Secured Parties at the date of the Foreclosure.

Option to purchase

Following a Distress Event, some or all of the Pari Passu Noteholders and Pari Passu Lenders shall have an option (subject to the conditions set out in the Super Senior Intercreditor Agreement) to purchase all (and not only part) of the Credit Facility Liabilities.

Following a Distress Event, some or all of the Senior Subordinated Noteholders shall have an option (subject to the conditions set out in the Super Senior Intercreditor Agreement) to purchase all (and not only part) of the Credit Facility Liabilities and the Pari Passu Debt Liabilities.

Consents, Amendments and Override

Subject to certain exceptions, the Super Senior 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 Senior 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 customary things: (i) the order of application or subordination under the Super Senior 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;
- the Credit Facility Lenders;
- each Pari Passu Note Trustee on behalf of the Pari Passu Noteholders in respect of which it is the Creditor Representative;
- the Pari Passu Lenders;
- each Senior Subordinated Note Trustee (in accordance with the Senior Subordinated Indenture) on behalf of the Senior Subordinated Noteholders in respect of which it is the Creditor Representative;
- each Hedge Counterparty (to the extent that the amendment or waiver would adversely affect the Hedge Counterparty); and
- the Security Agent.

The consent of the Senior Subordinated Note Trustee and the Senior Subordinated Note Creditors shall not be required to amend or waive the terms of, or to release, any Transaction Security Document which is not expressed to secure the Senior Subordinated Note Liabilities.

Subject to the above and certain other exceptions, no amendment or waiver of the Super Senior Intercreditor Agreement may impose new or additional obligations or duties on or withdraw or reduce the rights, protections, indemnities or immunities of any party to the Super Senior Intercreditor Agreement without the prior written consent of that party.

Unless expressly stated otherwise in the Super Senior Intercreditor Agreement, the Super Senior Intercreditor Agreement overrides anything in the Debt Documents to the contrary.

Governing law

The Super Senior Intercreditor Agreement will be governed by English law and the parties will submit to the exclusive jurisdiction of the courts of England and Wales.

DESCRIPTION OF THE NOTES

Loxam S.A.S. (the "Issuer") will issue €350,000,000 aggregate principal amount of 4.500% senior secured notes due 2027 (the "Notes") under an indenture (the "Indenture"), dated as of February 10, 2022, among, *inter alios*, itself, Wilmington Trust, National Association, as Trustee (the "Trustee"), and Wilmington Trust (London) Limited, as security agent (the "Security Agent"), in a private transaction that is not subject to the registration requirements of the U.S. Securities Act. See "*Notice to Investors*" and "Transfer Restrictions." The terms of the Notes include those stated in the Indenture and will not incorporate provisions by reference to, and will not be subject to the provisions of, or qualified under, the U.S. Trust Indenture Act of 1939. The following description is a summary of the material provisions of the Indenture, including the Notes. It does not restate the Indenture in its entirety. We urge you to read the Indenture because it, and not this description, defines your rights as holders of the Notes.

Certain defined terms used in this description but not defined below under "—*Certain Definitions*" have the meanings assigned to them in the Indenture. You can find the definitions of certain terms used in this description under the subheading "—*Certain Definitions*."

The Issuer has made an application to list the Notes on the Official List of the Luxembourg Stock Exchange and to admit the Notes to trading on the Euro MTF Market. The Issuer can provide no assurance that the Notes will be so listed or admitted to trading.

The registered Holder of a Note will be treated as the owner of it for all purposes. Only registered Holders will have rights under the Indenture.

Brief Description of the Notes

The Notes

The Notes will:

- be general senior secured obligations of the Issuer;
- be guaranteed by Nationwide Platforms Limited, Loxam Module S.A.S., Ramirent Finland Oy and Ramirent AB;
- be secured as set forth under "—*Security*;"
- rank senior in right of payment to any existing and future Indebtedness of the Issuer that is expressly subordinated in right of payment to the Notes (if any);
- rank *pari passu* in right of payment with any existing and future Indebtedness of the Issuer that is not expressly subordinated in right of payment to the Notes, including Indebtedness Incurred under the Revolving Credit Facility and the Existing Senior Secured Notes;
- be structurally subordinated to any existing or future obligations of the Subsidiaries of the Issuer that are not Guarantors, including obligations to trade creditors; and
- be effectively subordinated to any existing or future Indebtedness of the Issuer and its Subsidiaries that is secured by property and assets that do not secure the Notes, to the extent of the value of the property and assets securing such Indebtedness, including the Revolving Credit Facility, which will, until the occurrence of the Super Senior Conversion Date, be secured over collateral that is not pledged for the benefit of the holders of Notes and over the bank account on which such pledged receivables are payable, and additional indebtedness permitted under the Indenture to be Incurred and secured by assets other than the Collateral.

As of September 30, 2021, on an as adjusted basis after giving effect to the Transactions, the Issuer would have had approximately €3,178.0 million of indebtedness outstanding (net of the unamortized portion of issuance costs), of which €2,100.0 million would have been secured indebtedness represented by the Existing Senior Secured Notes and the Notes offered hereby, €155.1 million would have been unsecured indebtedness represented by the bilateral credit facilities extended to the Issuer, €231.8 million would have been unsecured indebtedness represented by the Issuer's French State-guaranteed loans, €131.4 million would have been indebtedness represented by financial leases and €554.0 million would have been unsecured indebtedness represented by the

Senior Subordinated Notes. See "*Capitalization*." In addition, the Issuer has €345.0 million of undrawn but committed financing available under the Revolving Credit Facility. See "*Summary Consolidated Financial Information—Other Financial and Operating Data*" and "*Capitalization*." The Indenture will permit the Issuer and its Subsidiaries to Incur additional indebtedness, including the Incurrence by the Issuer of additional Senior Secured Debt subject to certain limitations.

The operations of the Issuer are conducted in part through its Subsidiaries and, therefore, the Issuer depends on the cash flow of its Subsidiaries to meet its obligations, including its obligations under the Notes. None of the Issuer's Subsidiaries will guarantee the Notes on the date of the Indenture, although one or more of the Issuer's Subsidiaries may be required to guarantee the Notes in certain future circumstances. The Notes will be structurally subordinated in right of payment to all Indebtedness and other commitments, trade payables and other liabilities of the Issuer's Subsidiaries that do not guarantee the Notes. Any right of the Issuer to receive assets of any of its Subsidiaries that do not guarantee the Notes upon that Subsidiary's liquidation or reorganization (and the consequent right of the Holders of the Notes to participate in those assets) will be effectively subordinated to the claims of that Subsidiary's creditors, except to the extent that the Issuer is itself recognized as a creditor of the Subsidiary, in which case the claims of the Issuer would still be subordinate in right of payment to any security in the assets of the Subsidiary and any Indebtedness of the Subsidiary senior to that held by the Issuer. As of September 30, 2021, on an as adjusted basis after giving effect to the Transactions (see "*Capitalization*"), the Issuer's Subsidiaries would have had approximately €435.3 million of other third-party indebtedness, excluding IFRS 16 lease liabilities. See "*Risk Factors—Risks Related to the Notes and Our Capital Structure—Our level of indebtedness could adversely affect our ability to react to changes in our business, and we may be limited in our ability to fulfill our obligations with respect to the Notes, and to use debt to fund future capital needs*."

As of the date of the Indenture, all of our Subsidiaries will be "Restricted Subsidiaries." However, under the circumstances described below under the caption "*—Certain Covenants—Designation of Restricted and Unrestricted Subsidiaries*," we will be permitted to designate, subject to certain exceptions, Subsidiaries as "Unrestricted Subsidiaries." Our Unrestricted Subsidiaries will not be subject to many of the restrictive covenants in the Indentures.

We estimate that, as of September 30, 2021, on an as adjusted basis after giving effect to the Transactions, we would have had approximately €43.2 million in "restricted payment" capacity under the "build-up" basket described below under the caption "*—Certain Covenants—Restricted Payments*."

The Note Guarantees

On the Issue Date, the Notes will be guaranteed by Nationwide Platforms Limited, Loxam Module S.A.S., Ramirent Finland Oy and Ramirent AB (each a "Guarantor"). In addition, if required by the covenant described under "*—Certain Covenants—Additional Note Guarantees*," certain other Restricted Subsidiaries may provide a Note Guarantee in the future. The Note Guarantees will be joint and several obligations of each Guarantor. The Note Guarantee of each Guarantor will:

- be a general senior obligation of that Guarantor;
- rank senior in right of payment to any existing and future Indebtedness of that Guarantor that is expressly subordinated in right of payment to the Notes (if any);
- rank *pari passu* in right of payment with any existing and future Indebtedness of that Guarantor that is not expressly subordinated in right of payment to the Notes, including the Guarantors' guarantees of the Existing Senior Secured Notes;
- be effectively subordinated to any existing or future Indebtedness of that Guarantor and its Subsidiaries that is secured by property and assets that do not secure that Guarantor's Note Guarantee, to the extent of the value of the property and assets securing such Indebtedness; and
- be structurally subordinated to any existing or future obligations of the Subsidiaries of that Guarantor that are not Guarantors, including obligations to trade creditors.

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 Note Guarantee voidable or otherwise ineffective under applicable law, including laws relating to fraudulent conveyance, fraudulent transfer, maintenance of share capital, corporate benefit, financial assistance or similar laws affecting the rights of creditors generally, or otherwise to reflect applicable laws, including laws relating to capital maintenance and the liability of directors and officers. By virtue of these limitations, a Guarantor's obligations under its Note Guarantee could be significantly less than amounts payable in respect of the Notes. See "*Risk Factors—Risks Related to the Notes and Our Capital Structure—Corporate benefit, financial assistance laws and other limitations on the Guarantees may adversely affect the validity and enforceability of the Guarantees of the Notes*." The validity and enforceability of the Note Guarantees and the liability of each Guarantor will be subject to the limitations described in "*Limitations on the Validity and Enforceability of the Note Guarantees and Security Interests and Certain Insolvency Law Considerations*."

Principal, Maturity and Interest

The Issuer will issue €350,000,000 in aggregate principal amount of Notes in this offering. The Indenture governing the Notes will provide for the issuance of additional Notes having terms and conditions identical in all respects to the Notes offered in this offering (the "Additional Notes"). Any issuance of Additional Notes is subject to all of the covenants in the Indenture, including the covenants described below under the caption "*—Certain Covenants—Incurrence of Indebtedness and Issuance of Preferred Stock*" and "*—Certain Covenants—Limitation on Liens*." The Notes and any Additional Notes subsequently issued under the Indenture will be treated as a single class for all purposes under the Indenture, including, without limitation, waivers, amendments, redemptions and offers to purchase. The Issuer will issue Notes in minimum denominations of €100,000 and integral multiples of €1,000 above €100,000. The Notes will mature on February 15, 2027. Unless the context otherwise requires, in this "*Description of the Notes*" references to the Notes include the Notes and any Additional Notes that are issued from time to time.

Interest on the Notes will accrue at the rate of 4.500% per annum and will be payable semi-annually in arrears on March 15 and September 15 commencing on September 15, 2022. Interest on overdue principal and interest and Additional Amounts, if any, will, to the extent lawful, accrue at a rate that is 1% higher than the then applicable interest rate on the Notes. The Issuer will make each interest payment to the Holders of record on the immediately preceding Business Day (each, a "Record Date").

Interest on the Notes will accrue from the date of original issuance or, if interest has already been paid, from the date it was most recently paid. Interest will be computed on the basis of a 360-day year comprising twelve 30-day months on the aggregate principal amount outstanding.

At maturity, the redemption price of the Notes will be 100%.

Methods of Receiving Payments on the Notes

Principal, interest, premium and Additional Amounts (as defined below), if any, on the Global Notes (as defined below) will be payable in euros at the specified office or agency of one or more paying agents; *provided* that all such payments with respect to Notes represented by one or more Global Notes registered in the name of a nominee of the common depositary of Clearstream and/or Euroclear will be made by wire transfer of immediately available funds to the account specified by the holder or holders thereof.

Principal, interest, premium and Additional Amounts, if any, on the Definitive Registered Notes (as defined below) will be payable at the specified office or agency of one or more paying agents in London maintained for such purposes. In addition, interest on the Definitive Registered Notes may be paid by check mailed to the person entitled thereto as shown on the register for the Definitive Registered Notes.

Paying Agent and Registrar for the Notes

The Issuer will maintain one or more paying agents for the Notes (each, a "Paying Agent"). The initial Paying Agent will be Deutsche Bank AG, London Branch, in London.

The Issuer will also maintain one or more registrars (each, a "Registrar") and a transfer agent in a member state of the European Union. The initial Registrar will be Deutsche Bank Luxembourg S.A. in Luxembourg. The initial transfer agent will be Deutsche Bank AG, London Branch. The Registrar will maintain a register reflecting ownership of Definitive Registered Notes, if any, outstanding from time to time.

Upon written notice to the Trustee, the Issuer may change or add any Paying Agent, Registrar or transfer agent. For so long as the Notes are listed on the Luxembourg Stock Exchange and its rules so require, the 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*) and on the official website of the Luxembourg Stock Exchange in accordance with the provisions set forth under "*—Notices*."

Transfer and Exchange

Notes sold within the United States to qualified institutional buyers pursuant to Rule 144A under the U.S. Securities Act (if any) will initially be represented by one or more global notes in registered form without interest coupons attached (collectively, the "144A Global Notes"). Notes sold outside the United States pursuant to Regulation S under the U.S. Securities Act will initially be represented by one or more global notes in registered form without interest coupons attached (collectively, the "Reg S Global Notes"). The 144A Global Notes and the Reg S Global Notes are collectively referred to herein as the "Global Notes."

The Global Notes will be deposited with a common depositary for Euroclear and Clearstream or its nominee. The Global Notes may be transferred only to Euroclear and/or Clearstream or a nominee of them, to a successor of Euroclear and/or Clearstream and/or to a nominee of such successor.

Ownership of interests in the Global Notes ("Book-Entry Interests") will be limited to persons that have accounts with Euroclear and Clearstream or persons that may hold interests through such participants. Ownership of interests in the form of Book-Entry Interests and transfers thereof will be subject to the restrictions on transfer and certification requirements summarized below and described more fully under "*Book-Entry, Delivery and Form—Transfers*." In addition, transfers of Book-Entry Interests between participants in Euroclear or participants in 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 a 144A Global Note (the "144A Book-Entry Interests") may be transferred to a person who takes delivery in the form of Book-Entry Interests in a Reg S Global Note ("Reg S Book-Entry Interests") only upon delivery by the transferor to the transfer agent of a written certification (in the form provided in the Indenture) to the effect that such transfer is being made in accordance with Regulation S under the U.S. Securities Act or otherwise in accordance with the applicable restrictions set out in the Indenture and any applicable securities laws of any state of the United States or any other jurisdiction. Subject to the foregoing, Reg S Book-Entry Interests may be transferred to a person who takes delivery in the form of 144A Book-Entry Interests only upon delivery by the transferor to the transfer agent of a written certification (in the form provided in the Indenture) to the effect that such transfer is being made to a person who the transferor reasonably believes is a "qualified institutional buyer" within the meaning of Rule 144A in a transaction meeting the requirements of Rule 144A or otherwise in accordance with applicable transfer restrictions set out in the Indenture and any applicable securities laws of any state of the United States or any other jurisdiction.

Any Book-Entry Interest that is transferred will, upon transfer, cease to be a Book-Entry Interest in the Global Note from which it was transferred and will become a Book-Entry Interest in the Global Note to which it is transferred. Accordingly, from and after such transfer, it will become subject to all transfer restrictions, if any, and other procedures applicable to Book-Entry Interests in the Global Note to which it was transferred.

If Notes in definitive registered form ("Definitive Registered Notes") are issued, they will be issued only in minimum denominations of €100,000 principal amount and integral multiples of €1,000 in excess thereof, upon receipt by the Registrar of instructions relating thereto and any certificates, opinions and other documentation required by the Indenture. It is expected that such instructions will be based upon directions received by Euroclear or Clearstream, as applicable, from the participant which owns the relevant Book-Entry Interests. Definitive Registered Notes issued in exchange for a Book-Entry Interest, if any, will, except as set forth in the Indenture or as otherwise determined by the Issuer in compliance with applicable law, be subject to, and will have a legend with respect to, the restrictions on transfer summarized below and described more fully under "*Notice to Investors*."

Definitive Registered Notes may be transferred and exchanged for Book-Entry Interests in a Global Note only in accordance with the Indenture and, if required, only after the transferor first delivers to the transfer agent a written certification (in the form provided in the Indenture) to the effect that such transfer will comply with the transfer restrictions applicable to such Notes.

Subject to the restrictions on transfer referred to above, the Notes issued as Definitive Registered Notes, if any, 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. In connection with any such transfer or exchange, the Indenture will require the transferring or exchanging Holder to, among other things, furnish appropriate endorsements and transfer documents, to furnish information regarding the account of the transferee at Euroclear or Clearstream, where appropriate, to furnish certain certificates and opinions, and to pay any taxes, duties and governmental charges in connection with such transfer or exchange. Any such transfer or exchange will be made without charge to the Holder, other than any taxes, duties and governmental charges payable in connection with such transfer.

Notwithstanding the foregoing, the Issuer (or, as applicable, any Registrar or transfer agent) is not required to register the transfer of any Definitive Registered Notes:

- for a period of 15 calendar days prior to any date fixed for the redemption of the Notes;
- for a period of 15 calendar days immediately prior to the date fixed for selection of Notes to be redeemed in part;
- for a period of 15 calendar days prior to the Record Date with respect to any interest payment date; or
- which the Holder has tendered (and not withdrawn) for repurchase in connection with a Change of Control Offer or an Asset Sale Offer.

Note Guarantees

General

The obligations of the Issuer pursuant to the Notes (including in respect of the full amount of the principal and interest or other payments due thereunder) will be guaranteed on the Issue Date by Nationwide Platforms Limited, Loxam Module S.A.S., Ramirent Finland Oy and Ramirent AB (each guarantee by a Guarantor, a "Note Guarantee").

Each Note Guarantee will be limited to the maximum amount that would not render the Guarantor's obligations subject to avoidance under applicable fraudulent conveyance law or to comply with applicable corporate benefit, financial assistance and other laws. By virtue of this limitation, a Guarantor's obligation under its Note Guarantee could be significantly less than amounts payable with respect to the Notes, or a Guarantor may have effectively no obligation under its Note Guarantee. See "*Risk Factors—Risks Related to the Notes and Our Capital Structure—Corporate benefit, financial assistance laws and other limitations on the Guarantees may adversely affect the validity and enforceability of the Guarantees of the Notes and the Collateral*."

Not all of the Issuer's Subsidiaries will guarantee the Notes. In the event of a bankruptcy, liquidation, winding up or reorganization of any of these non-guarantor Subsidiaries, the non-guarantor Subsidiaries will pay the holders of their debt and their trade creditors before they will be able to distribute any of their assets to the Issuer. As of and for the twelve months ended September 30, 2021, the Issuer and the Guarantors accounted for 68.7% of the Issuer's consolidated revenue, 67.6% of the Issuer's consolidated EBITDA and 67.9% of the Issuer's consolidated total assets, respectively.

The Notes and the Note Guarantees will be effectively subordinated in right of payment to all Indebtedness and other liabilities and commitments (including trade payables and lease obligations) of the Issuer's non-guarantor Subsidiaries. Any right of the Issuer or any Guarantor to receive assets of any of its non-guarantor Subsidiaries upon that non-guarantor Subsidiary's liquidation, winding up or reorganization (and the consequent right of the Holders of the 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 Issuer or such Guarantor is itself recognized as a creditor of the non-guarantor Subsidiary, in which case the claims of the 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 and any Indebtedness of the non-guarantor Subsidiary senior to that held by the Issuer or such Guarantor.

Although the Indenture will limit the Incurrence of Indebtedness by the Issuer and its Restricted Subsidiaries, the limitation is subject to a number of significant exceptions. Moreover, the Indenture will not impose any limitation on the Incurrence by the Issuer or its Restricted Subsidiaries of liabilities that are not considered Indebtedness under the Indenture. See "*—Certain Covenants—Incurrence of Indebtedness and Issuance of Preferred Stock*."

Additional Note Guarantees

The Issuer may from time to time designate a Restricted Subsidiary as an additional guarantor of the Notes (an "Additional Guarantor") by causing it to execute and deliver to the Trustee a supplemental indenture in the form attached to the Indenture, pursuant to which such Restricted Subsidiary will become a Guarantor.

Each Additional Guarantor will, jointly and severally with all existing Guarantors and each other Additional Guarantor, irrevocably guarantee (each Guarantee, an "Additional Note Guarantee"), as primary obligor and not merely as surety, on a senior basis the full and punctual payment when due, whether at Stated Maturity, by acceleration or otherwise, of all payment obligations of the Issuer under the Indenture and the Notes, whether for payment of principal of, or interest on or in respect of, the Notes, fees, expenses, indemnification or otherwise. The obligations of any Additional Guarantor will be contractually limited under its Additional Note Guarantee to reflect limitations under applicable law. For purposes of the Indenture and this "*Description of the Notes*," references to the Note Guarantees include references to any Additional Note Guarantees and references to the Guarantors include references to any Additional Guarantors.

Security

The Notes will be secured by security interests (i) granted on the Issue Date on a tenth-ranking and first priority basis over the "Loxam" trademark and over the issued and outstanding share capital of Loxam Module S.A.S. and Loxam Power S.A.S. (the "French Collateral"), two direct subsidiaries of the Issuer organized under French law, (ii) granted on the Issue Date by a security interest over all of the Capital Stock the Issuer holds in Lavendon (the "Lavendon Collateral") and (iii) over the shares of Ramirent Ltd held by the Issuer further to a security confirmation (the "Ramirent Collateral", and together with the French Collateral and the Lavendon Collateral, the "Collateral"). Any additional assets or property over which security interests may in the future be created to secure the Notes would also constitute Collateral.

The French Collateral was pledged on July 23, 2014 on a first-ranking and first-priority basis to the Security Agent on behalf of the holders of the 2021 Senior Secured Notes, on May 3, 2016 on a second-ranking and first-priority basis to the Security Agent on behalf of the holders of the 2023 Senior Secured Notes, on April 4, 2017 on a sixth-ranking and first-priority basis to the Security Agent on behalf of the holders of the 2022 Senior Secured Notes and 2024 Senior Secured Notes, on April 11, 2019 on a seventh-ranking and first-priority basis to the Security Agent on behalf of the holders of the April 2026 Senior Secured Notes and the April 2027 Senior Subordinated Notes, and on July 23, 2019 on a ninth-ranking and first-priority basis to the Security Agent on behalf of the holders of the 2025 Senior Secured Notes and July 2026 Senior Secured Notes.

The Lavendon Collateral was pledged on April 4, 2017 to the Security Agent on behalf of the holders of the 2022 Senior Secured Notes and 2024 Senior Secured Notes, on April 11, 2019 to the Security Agent on behalf of the holders of the April 2026 Senior Secured Notes and the April 2027 Senior Subordinated Notes and on July 23, 2019 to the Security Agent on behalf of the holders of the 2025 Senior Secured Notes and July 2026 Senior Secured Notes..

The Ramirent Collateral was pledged on a first-priority basis on November 19, 2019 to the Security Agent on behalf of the Secured Parties (as defined under the Intercreditor Agreement).

The Original Intercreditor Agreement provides that the 2024 Senior Secured Notes, 2025 Senior Secured Notes, the April 2026 Senior Secured Notes, the July 2026 Senior Secured Notes and the Notes will be deemed and treated for the purpose of the Original Intercreditor Agreement (including, *inter alia*, its provisions relating to the application of proceeds following the enforcement of the Collateral) as secured on a *pari passu* basis.

Under the Indenture, the Issuer and the Restricted Subsidiaries will be permitted to Incur certain additional Indebtedness in the future that may share in the Collateral, including additional Permitted Collateral Liens securing Indebtedness and other related liabilities on a *pari passu* basis with the Notes. The amount of additional Indebtedness secured by such Permitted Collateral Liens will be limited by the covenants described under the captions "*—Certain Covenants—Limitation on Liens*" and "*—Certain Covenants—Incurrence of Indebtedness and Issuance of Preferred Stock*." Under certain circumstances, the amount of such additional Indebtedness secured by Permitted Collateral Liens could be significant.

Under the Security Documents, the Collateral will be pledged or security interests granted to the Security Agent on behalf of the Holders of the Notes by the Issuer to secure the payment when due of the Issuer's and any Guarantor's, as applicable, payment obligations under the Notes, any Note Guarantees and the Indenture. The Security Documents will be entered into by, *inter alios*, the Security Agent or its nominee(s).

Due to the laws and other jurisprudence governing the creation and perfection of security interests, the relevant Security Documents in France will provide for the creation of "parallel debt" obligations in favor of the Security Agent, and the security interests will secure the parallel debt (and not the Indebtedness under the Notes or other secured obligations). The parallel debt construct has not been fully tested under laws in France. See "*Risk Factors—Risks Relating to the Notes and Our Capital Structure—The security over the Collateral will not be granted directly to the holders of the Notes*."

Each Holder, by accepting a Note, shall be deemed (1) to have authorized the Trustee to accede to the Intercreditor Agreements and the Security Agent to enter into the Security Documents and accede to the Intercreditor Agreements and (2) to be bound thereby. Each Holder, by accepting a Note, appoints the Trustee or the Security Agent, as the case may be, as its agent under the Security Documents and the Intercreditor Agreements, and authorizes it to act as such.

The Holders 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 Security Agent (as creditor of the parallel debt, in respect of the Security Documents governed by French law). The Security Agent will agree to any release of the security interest created by the Security Documents that is in accordance with the Indenture and the Intercreditor Agreements without requiring any consent of such Holder. The Trustee will have the ability to direct the Security Agent to commence enforcement action under the Security Documents in accordance with the Indenture and the Security Documents. See "*Description of Certain Financing Arrangements—Intercreditor Agreement*" and "*Description of Certain Financing Arrangements—Super Senior Intercreditor Agreement*".

Subject to the terms of the Security Documents and prior to enforcement of any Collateral or (upon the occurrence of certain triggering events specified in the Security Documents) to there being taken certain pre-enforcement steps to protect the Holders' rights, the Issuer and the Guarantors, as the case may be, will have the right to remain in possession and retain exclusive control of the Collateral securing the Notes and any 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 Notes and the Indenture may not be sufficient to satisfy the Issuer's obligations under the Notes and the Collateral securing the Notes and the Indenture may be reduced or diluted under certain circumstances, including the issuance of Additional Notes and the disposition of assets comprising the Collateral, subject to the terms of the Indenture. No appraisals of the Collateral have been prepared by or on behalf of the 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 Indenture and the Security Documents, would be sufficient to satisfy amounts due on the 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. See "*Risk Factors—Risks Related to the Notes and Our Capital Structure—The Collateral may not be sufficient to secure the obligations under the Notes*."

The Original Intercreditor Agreement

On the Issue Date, the Notes will be subject to the restrictions contained in the Original Intercreditor Agreement. The Indenture will be subject in all respects to the provisions of the Original Intercreditor Agreement and will provide that each Holder, by accepting a Note, shall be deemed to have agreed to and accepted the terms and conditions of the Original Intercreditor Agreement. For a description of the provisions of the Original Intercreditor Agreement, see "*Description of Certain Financing Arrangements—Intercreditor Agreement*."

Additional Intercreditor Agreements

Upon the written request of the Issuer, at the time of, or prior to, any time that the Issuer or any of its Restricted Subsidiaries Incurs or guarantees any Indebtedness to be secured by a Lien on the assets of the Issuer or any of its Restricted Subsidiaries permitted to be Incurred under the covenant described below under "*—Certain Covenants—Limitation on Liens*" under Credit Facilities pursuant to clause (1)(x) of the definition of "Permitted Debt" and/or Indebtedness permitted under clause (8) of the definition of "Permitted Debt", including on or prior to the Super Senior Conversion Date, the Issuer or the relevant Restricted Subsidiary, the Trustee and the Security Agent (among others), and without the consent of Holders of the Notes, will enter into a new intercreditor agreement reflecting the principles described under "*Description of Certain Financing Arrangements—Super Senior Intercreditor Agreement*" (such agreement, the "Super Senior Intercreditor Agreement") in substitution for the Original Intercreditor Agreement, *provided*, *however*, that such Super Senior Intercreditor Agreement will not impose any personal obligations on the Trustee or the Security Agent or adversely affect the rights, duties, liabilities or immunities of the Trustee or Security Agent under the Indenture, the Intercreditor Agreements, any Additional Intercreditor Agreement or any Security Document. The Issuer will certify to the Trustee in writing when the conditions to the Super Senior Conversion Date have been met and upon which the Trustee shall solely rely, without independent verification or investigation as to the accuracy or substance of the statements contained therein, in delivering the notice required to be given by the Trustee as described under "*Description of Certain Financing Arrangements—Super Senior Intercreditor Agreement*"). The Indenture will provide that each Holder, by accepting a Note, shall be deemed to have agreed to and accepted the terms and conditions of a Super Senior Intercreditor Agreement and authorized the Trustee and the Security Agent to enter into the Super Senior Intercreditor Agreement.

The Indenture will provide that, at the request of the Issuer, without the consent of Holders of the Notes, and at the time of, or prior to, the Incurrence by the Issuer or its Restricted Subsidiaries of any (1) Senior Secured Debt permitted or not prohibited by the Indenture to be Incurred pursuant to the covenant under the caption "—*Certain Covenants—Incurrence of Indebtedness and Issuance of Preferred Stock*" or (2) any Indebtedness the proceeds of which are used, in whole or in part, to refinance the Notes or Senior Secured Debt, the Issuer, the relevant Restricted Subsidiaries, the Trustee and the Security Agent or any other relevant creditor representative or collateral agent shall enter into with the holders of such Indebtedness (or their duly authorized representatives) one or more intercreditor agreements or deeds, including a restatement, replacement, amendment or other modification of the then-existing Intercreditor Agreement (each an "Additional Intercreditor Agreement") on substantially the same terms as the then-existing Intercreditor Agreement (or terms not materially less favorable to the Holders of the Notes), including containing substantially the same terms with respect to release of Note Guarantees, if any, and priority and release of any Permitted Collateral Liens from time to time; *provided*, *however*, 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 or immunities of the Trustee or Security Agent under the Indenture, the Intercreditor Agreements, any Additional Intercreditor Agreement or any Security Document.

The Indenture also will provide that, at the direction of the Issuer and without the consent of Holders of the Notes, the Trustee and the Security Agent shall, from time to time, enter into one or more amendments to any Intercreditor Agreement or Additional Intercreditor Agreement to: (1) cure any ambiguity, omission, defect, manifest error or inconsistency of any such agreement of a minor, technical or administrative nature, (2) increase the amount or types of Indebtedness covered by any such agreement that may be Incurred by the Issuer or any Restricted Subsidiary that is subject to any such agreement (including with respect to any Intercreditor Agreement or Additional Intercreditor Agreement, the addition of provisions relating to new Indebtedness ranking junior in right of payment to the Notes; *provided* that such amendment is consistent with the preceding paragraph), (3) add Restricted Subsidiaries to any Intercreditor Agreement or Additional Intercreditor Agreement, (4) further secure the Notes (including Additional Notes), (5) make provision for equal and ratable pledges of the Collateral to secure Additional Notes, (6) implement any Permitted Collateral Liens, (7) amend any Intercreditor Agreement or Additional Intercreditor Agreement in accordance with the terms thereof or (8) make any other change to any such agreement that does not adversely affect the rights of Holders of the Notes in any material respect. The Issuer shall not otherwise direct the Trustee or the Security Agent to enter into any amendment to any Intercreditor Agreement without the consent of the Holders of the majority in aggregate principal amount of the Notes then outstanding, except as otherwise permitted below under "—*Amendment, Supplement and Waiver*," and the Issuer may only direct the Trustee and the Security Agent to enter into any amendment to the extent such amendment does not impose any personal obligations on the Trustee or Security Agent or adversely affect their respective rights, duties, liabilities or immunities under the Indenture or the Intercreditor Agreements, any Additional Intercreditor Agreement or any Security Document.

The Indenture shall also provide that, in relation to any Intercreditor Agreement or Additional Intercreditor Agreement, the Trustee (and Security Agent, if applicable) shall consent on behalf of the Holders of Notes to the payment, repayment, purchase, repurchase, defeasance, acquisition, retirement or redemption of any obligations subordinated to the Notes thereby; *provided*, *however*, that such transaction would comply with the covenant described under "—*Restricted Payments.*"

The Indenture also will provide that each Holder of the Notes, by accepting a Note, shall be deemed to have agreed to and accepted the terms and conditions of the Intercreditor Agreements or any Additional Intercreditor Agreement and any amendment referred to in the preceding paragraphs. None of the Issuer, the

Trustee or the Security Agent will be required to seek the consent of any Holders of Notes to perform its obligations under and in accordance with this covenant. The Issuer will execute any Additional Intercreditor Agreement or amendment or amendment and restatement of any Intercreditor Agreement that complies with the provisions of this covenant.

Optional Redemption

At any time prior to February 15, 2024, the Issuer may redeem up to 45% of the aggregate principal amount of Notes issued under the Indenture at a redemption price of 104.500% of the principal amount, plus accrued and unpaid interest and Additional Amounts, if any, to, but excluding, the redemption date, with the net cash proceeds of one or more Equity Offerings; *provided* that:

(1) at least 55% of the aggregate principal amount of Notes issued under the Indenture (excluding the Notes held by the Issuer and its Affiliates, but including any Additional Notes) remains outstanding immediately after the occurrence of such redemption; and

(2) the redemption occurs within 120 days of the date of the closing of such sale of such Equity Offering.

At any time prior to February 15, 2024, the Issuer may also redeem all or a part of the Notes, upon not less than 10 nor more than 60 days' prior written notice to each Holder (with a copy to the Trustee and Paying Agent), at a redemption price equal to 100% of the principal amount of Notes redeemed plus the Applicable Premium as of, and accrued and unpaid interest and Additional Amounts, if any, to, but excluding, the redemption date, subject to the rights of Holders of Notes on the relevant Record Date to receive interest due on the relevant interest payment date.

At any time and from time to time prior to February 15, 2024, the Issuer may redeem during each twelve-month period commencing with the Issue Date up to 10% of the original aggregate principal amount of the Notes, at its option, upon not less than 10 nor more than 60 days' prior written notice to each Holder (with a copy to the Trustee and Paying Agent), at a redemption price equal to 103% of the principal amount of the Notes redeemed, plus accrued and unpaid interest and Additional Amounts, if any, to, but excluding, the redemption date (subject to the rights of Holders of Notes on the relevant Record Date to receive interest due on the relevant interest payment date).

Except pursuant to the three preceding paragraphs and as set out below under "*Redemption for Changes in Withholding Taxes*," the Notes will not be redeemable at the Issuer's option prior to February 15, 2024.

On or after February 15, 2024, the Issuer may redeem all or a part of the Notes in the minimum amount of €100,000 or in integral multiples of €1,000 in excess thereof, upon not less than 10 nor more than 60 days' written notice to each Holder (with a copy to the Trustee and Paying Agent), at the redemption prices (expressed as percentages of principal amount) set forth below plus accrued and unpaid interest and Additional Amounts, if any, on the Notes redeemed, to, but excluding, the applicable redemption date, if redeemed during the twelve-month period beginning on the dates indicated below, subject to the rights of Holders of Notes on the relevant Record Date to receive interest on the relevant interest payment date:

Year	Percentage
February 15, 2024	102.250%
February 15, 2025	101.125%
February 15, 2026 and thereafter	100.000%

Unless the Issuer defaults in the payment of the redemption price, interest will cease to accrue on the Notes or portions thereof called for redemption on the applicable redemption date.

Open Market Purchases

The Issuer and the Restricted Subsidiaries may at any time acquire the Notes through open market purchases, negotiated transactions or otherwise, in accordance with applicable securities laws; *provided*, *however*, that in determining whether the Holders of the required principal amount of Notes have concurred in any direction, waiver or consent, Notes owned by the Issuer or by any Affiliate of the Issuer will be considered as though not outstanding.

Selection and Notice

If less than all the Notes are to be redeemed at any time, the Paying Agent or the Registrar will select the Notes for redemption in compliance with the requirements of the principal securities exchange, if any, on which the Notes are listed, as certified to the Paying Agent or Registrar, as applicable, by the Issuer, and in compliance with the requirements of Euroclear and/or Clearstream, or if the Notes are not so listed or such exchange prescribes no method of selection and the Notes are not held through Euroclear and/or Clearstream or Euroclear and/or Clearstream prescribes no method of selection, on a *pro rata* basis or by use of a pool-factor; provided, however, that no Note of €100,000 in aggregate principal amount or less shall be redeemed in part. Neither the Trustee, the Paying Agent nor the Registrar shall be liable for selections made by it under this paragraph.

Notices of redemption will be transmitted at least 10 but not more than 60 days before the redemption date to each Holder of Notes to be redeemed, except that redemption notices may be transmitted more than 60 days prior to a redemption date if the notice is issued in connection with a defeasance of the Notes or a satisfaction and discharge of the Indenture. Any redemption and notice may, in the Issuer's discretion, be subject to the satisfaction of one or more conditions precedent.

If any Note is to be redeemed in part only, the notice of redemption that relates to that Note will state the portion of the principal amount of that note that is to be redeemed. A new Note in principal amount equal to the unredeemed portion of the original Note will be issued in the name of the Holder of the original Note upon cancellation of the original note. Notes called for redemption become due on the date fixed for redemption. Unless the Issuer defaults in the payment of the redemption price, on and after the redemption date, interest ceases to accrue on the Notes or portions of Notes called for redemption.

The Trustee and/or the Registrar shall not be liable for any selection made under this "*Selection and Notice*."

General

In connection with any tender offer for any series of the Notes, if holders of not less than 90% in the aggregate principal amount of the outstanding Notes of such series validly tender and do not withdraw such Notes in such tender offer and the Issuer, or any third party making such tender offer in lieu of the Issuer, purchases all of the Notes of such series validly tendered and not withdrawn by such holders, all of the holders of Notes will be deemed to have consented to such tender offer and, accordingly, the Issuer or such third party, will have the right, upon not less than 10 days' nor more than 60 days' prior written notice to the holders of the relevant series of the Notes (with a copy to the Trustee and the Paying Agent), given not more than 30 days following such tender offer expiration date, to redeem the applicable series of Notes that remain outstanding in whole, but not in part, following such purchase, at a redemption price in cash equal to the highest price (excluding any early tender premium or similar payment) paid to each other holder in such tender offer, plus, to the extent not included in the tender offer payment, accrued and unpaid interest and Additional Amounts, if any, to, but excluding, the redemption date.

Any redemption or notice of redemption may, in the Issuer's discretion, be subject to the satisfaction of one or more conditions precedent, including (without limitation) that the Issuer has received or any Paying Agent has received from the Issuer or from the Issuer's relevant Subsidiary sufficient funds to pay the full redemption price payable to the holders of the Notes on or before the relevant redemption date, or, in the case of a redemption related to an Equity Offering, the consummation of such Equity Offering. If such redemption or notice is subject to satisfaction of one or more conditions precedent, such notice shall state that, in the Issuer's discretion, the redemption date may be delayed until such time as any or all such conditions shall be satisfied, or 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; *provided* that in no case shall the notice have been delivered less than 10 days or more than 60 days prior to the date on which such redemption (if any) occurs. In addition, the Issuer may provide in such notice that payment of the redemption price and performance of the Issuer's obligations with respect to such redemption may be performed by another Person.

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 and Additional Amounts, if any, will be paid to the Person in whose name the Note is registered at the close of business on such record date and no additional interest will be payable to holders whose Notes will be subject to redemption.

If it chooses to exercise its optional right to redeem the Notes pursuant to the provisions summarized above, the Issuer may in its discretion redeem one or more series of Notes, either together or separately.

Unless the Issuer defaults in the payment of the redemption price, interest will cease to accrue on the Notes or portions thereof called for redemption on the applicable redemption date.

Redemption for Changes in Withholding Taxes

The Issuer may redeem the Notes, in whole but not in part, at any time upon giving not less than 10 nor more than 60 days' prior notice to the Holders with a copy to the Trustee and Paying Agent (which notice must be given in accordance with the procedures described in "*—Selection and Notice*"), at a redemption price equal to the principal amount thereof, together with accrued and unpaid interest, if any, to, but excluding, the date fixed by the 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 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 Notes or any Note Guarantee, the Issuer under or with respect to the Notes or any of the Guarantors with respect to any Note Guarantee 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 Issuer or another Guarantor who can pay such amount without the obligation to pay Additional Amounts), and the Issuer or relevant 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; *provided*, *however*, that changing the jurisdiction of the Issuer is not a reasonable measure for purposes of avoiding any such payment), as a result of:

(1) any change in, or amendment to, the laws or treaties (or any regulations, or rulings promulgated thereunder) of the relevant Tax Jurisdiction (as defined below) affecting taxation which change or amendment is publicly announced as formally proposed, in substantially the form as enacted, and becomes effective on or after the date of the Indenture (or, if the relevant Tax Jurisdiction has changed since the date of the Indenture, the date on which the then current Tax Jurisdiction became an applicable Tax Jurisdiction under the Indenture); or

(2) any change in, or amendment to, the existing official position or the introduction of an official position regarding the application, administration or interpretation of such laws, treaties, regulations or rulings (including a holding, judgment or order by a court of competent jurisdiction or a change in published practice), which change, amendment or introduction is publicly announced as formally proposed, in substantially the form as enacted, and becomes effective on or after the date of the Indenture (or, if the relevant Tax Jurisdiction has changed since the date of the Indenture, the date on which the then current Tax Jurisdiction became an applicable Tax Jurisdiction under the Indenture) (each of the foregoing clauses (1) and (2), a "Change in Tax Law").

The Issuer will not give any such notice of redemption earlier than 90 days prior to the earliest date on which the Issuer or the Guarantor, as applicable, would be obligated to make such payment or withholding if a payment in respect of the Notes were then due. Notwithstanding the foregoing, the Issuer may not redeem the Notes under this provision if the relevant Tax Jurisdiction changes under the Indenture and the Issuer is obligated to pay any Additional Amounts solely as a result thereof. Prior to the publication or, where relevant, delivery of any notice of redemption of the Notes pursuant to the foregoing, the Issuer will deliver to the Trustee (with a copy to the Paying Agent) (a) an officer's certificate stating that the obligation to pay Additional Amounts cannot be avoided by the Issuer or the relevant Guarantor taking reasonable measures available to it and (b) an opinion of outside legal counsel of recognized standing in the relevant Taxing Jurisdiction attesting to the effect that there has been such Change in Tax Law which would entitle the Issuer to redeem the Notes hereunder. The Trustee and the Paying Agent will accept such opinion of counsel and officer's certificate as sufficient evidence of the satisfaction of the conditions precedent described above, without further inquiry, in which event it will be conclusive and binding on the Holders.

The foregoing provisions shall apply *mutatis mutandis* to any successor Person, after such successor Person becomes a party to the Indenture, with respect to a Change in Tax Law occurring after the time such successor Person becomes a party to the Indenture.

Additional Amounts

All payments made by or on behalf of the Issuer under or with respect to the Notes or any of the Guarantors with respect to any Note Guarantee, if any, (whether or not in the form of Definitive Registered Notes) will be made free and clear of and without withholding or deduction for, or on account of, any present or future tax, duty, levy, impost, assessment and any other charge of a similar nature, including penalties, interest and other liabilities related thereto (collectively, "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 any jurisdiction in which the Issuer or the applicable Guarantor (including any successor entity), is then incorporated or organized, engaged in business for tax purposes under the tax laws of that jurisdiction or resident for tax purposes or any political subdivision thereof or therein or any jurisdiction from or through which payment is made by or on behalf of the Issuer or any Guarantor (including the jurisdiction of any Paying Agent) or any political subdivision thereof or therein (each, a "Tax Jurisdiction"), will at any time be required to be made from any payments made by or on behalf of the Issuer under or with respect to the Notes, or any of the Guarantors with respect to any Note Guarantees, if any, including payments of principal, redemption price, purchase price, interest or premium, the Issuer or the relevant Guarantor, as applicable, will pay (to the extent lawful) 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 (including Additional Amounts) after such withholding or deduction (including any such withholding or deduction from such Additional Amounts) will equal the respective amounts which would have been received 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:

(1) any Taxes which would not have been imposed but for the Holder or the beneficial owner of the Notes being a citizen or resident or national of, incorporated or organized in, carrying on a business in, or having any other connection with, the relevant Tax Jurisdiction in which such Taxes are imposed other than by the mere acquisition or holding of such Note or Note Guarantee, if any, enforcement of rights thereunder or the receipt of payments in respect thereof;

(2) any Taxes that are imposed or withheld as a result of the failure of the Holder of the Notes or beneficial owner of the Notes to comply with any request, made to that Holder or beneficial owner (which request shall be made in accordance with the procedures described in "—Notices" below) in writing at least 30 days before any such withholding or deduction would be payable, by the Issuer or any Guarantor to provide timely or accurate information concerning the nationality, residence or identity of such Holder or beneficial owner or to make any valid or timely declaration or similar claim or satisfy any certification information or other reporting requirement (to the extent such Holder or beneficial owner is legally entitled to do so), which is required or imposed by a statute, treaty, regulation or administrative practice of the relevant Tax Jurisdiction as a precondition to exemption from, or reduction in the rate of deduction or withholding from, all or part of such Taxes;

(3) any Taxes imposed or withheld as a result of any Note presented for payment (where Notes are in the form of Definitive Registered Notes and presentation is required) more than 30 days after the relevant payment is first made available for payment to the Holder (except to the extent that the Holder would have been entitled to Additional Amounts had the note been presented on the last day of such 30 day period);

(4) any estate, inheritance, gift, sale, transfer, personal property or similar tax or assessment;

(5) any Taxes imposed or withheld pursuant to Sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986, as amended (the "Code") as in effect on the date of issuance of the Notes or any successor or amended version of these provisions, any regulations promulgated thereunder, any official interpretations thereof, any similar law or regulation adopted pursuant to an intergovernmental agreement between a non-U.S. jurisdiction and the United States with respect to the foregoing or any agreements entered into pursuant to Section 1471(b)(1) of the Code;

(6) any Taxes payable other than by deduction or withholding from payments under, or with respect to, the Notes or any Note Guarantee;

(7) any Taxes imposed on or with respect to any payment by the Issuer or any Guarantor, as the case may be, to the Holder if such Holder is a fiduciary of a beneficial owner 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 such beneficial owner or partner (in the case of a partnership) been the Holder of such note; or

(8) any combination of items (1) through (7) above.

In addition to the foregoing, the Issuer and the Guarantors, if any, will also pay and indemnify the Holder or beneficial owner of the Notes for any present or future stamp, issue, registration, transfer, court or documentary Taxes, or any other excise or property taxes, charges or similar levies or Taxes which are levied by any Tax Jurisdiction on the issuance, execution, delivery, registration or enforcement of any of the Notes or any Note Guarantee (other than on or in connection with a transfer of the Notes after the Issue Date), the Indenture, or any other document or instrument referred to therein, or the receipt of any payments with respect thereto (limited, solely in the case of taxes attributable to the recipient of any payments with respect thereto, to any such taxes imposed in a relevant Tax Jurisdiction that are not excluded under clauses (1) through (5) and (7) above).

If the 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 under or with respect to the Notes or any Note Guarantee, the Issuer or the relevant Guarantor, if any, will deliver to the Trustee (with a copy to the Paying Agent) on a date which is at least 30 days prior to the date of that payment (unless the obligation to pay Additional Amounts arises after the 45th day prior to that payment date, in which case the Issuer or the relevant Guarantor shall notify the Trustee and the Paying Agent promptly thereafter) an officers' certificate stating the fact that Additional Amounts will be payable and the amount estimated to be so payable. The officers' certificate must also set forth any other information reasonably necessary to enable the Paying Agent to pay Additional Amounts to Holders on the relevant payment date. The Trustee and Paying Agent will be entitled to rely solely on such officers' certificate as conclusive proof that such payments are necessary. If requested by the Holder or the Paying Agent, the Issuer will provide the Trustee with documentation in a form reasonably satisfactory to the Trustee evidencing the payment of Additional Amounts.

The Issuer or the relevant Guarantor, if any, will make all withholdings and deductions required by law and will timely remit the full amount deducted or withheld to the relevant Tax authority in accordance with applicable law. The 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 Issuer or the relevant Guarantor, if any, will furnish to the Trustee (with a copy to the Paying Agent), 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 Issuer or the relevant Guarantor, as the case may be, or if, notwithstanding such entity's efforts to obtain receipts, receipts are not obtained, other evidence of payments by such entity.

Whenever in the Indenture or in this "*Description of the Notes*" there is mentioned, in any context, the payment of amounts based upon the principal amount of the Notes or of principal, interest or of any other amount payable under, or with respect to, any of the Notes or Note Guarantees, 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 Indenture, any transfer by a Holder or beneficial owner of its Notes and will apply, mutatis mutandis, to any jurisdiction in which any successor Person to the Issuer or any Guarantor is then incorporated or organized, engaged in business or resident for tax purposes or any jurisdiction from or through which such Person makes any payment under or with respect to the Notes (or any Note Guarantee) and any department or political subdivision thereof or therein.

Mandatory Redemption

The Issuer is not required to make mandatory redemption or sinking fund payments with respect to the Notes. However, under certain circumstances, the Issuer may be required to offer to purchase the Notes as described under the captions "*—Repurchase at the Option of Holders—Change of Control Triggering Event*" and "*—Repurchase at the Option of Holders—Asset Sales*."

Repurchase at the Option of Holders

Change of Control Triggering Event

If a Change of Control Triggering Event occurs, the Issuer shall offer to repurchase any and all of the Holders' Notes pursuant to a Change of Control Offer on the terms set forth in the Indenture. In the Change of

Control Offer, the Issuer will offer a Change of Control Payment in cash equal to 101% of the aggregate principal amount of Notes repurchased plus accrued and unpaid interest and Additional Amounts, if any, on the Notes repurchased to the date of purchase, subject to the rights of Holders of Notes on the relevant Record Date to receive interest due on the relevant interest payment date.

Unless the Issuer has unconditionally exercised its right to redeem all the Notes as described under "—*Optional Redemption*" or all conditions to such redemption have been satisfied or waived, within 30 days following any Change of Control Triggering Event, the Issuer will deliver a written notice to each Holder describing the transaction or transactions that constitute the Change of Control Triggering Event and offering to repurchase Notes on the date (the "Change of Control Payment Date") specified in the notice, which date will be no earlier than 30 days and no later than 60 days from the date such notice is delivered, pursuant to the procedures required by the Indenture and described in such notice. If the Change of Control has been publicly announced but has not occurred at the time the notice of the Change of Control Offer is delivered to Holders, the Change of Control Offer may be conditional on the consummation of such Change of Control occurring prior to or concurrent with the repurchase.

The Issuer will comply with the requirements of any applicable securities laws and regulations thereunder to the extent those laws and regulations are applicable in connection with the purchase of the Notes as a result of a Change of Control Triggering Event. To the extent that the provisions of any securities laws or regulations conflict with the provisions of the Indenture, the Issuer will comply with the applicable securities laws and regulations and will not be deemed to have breached its obligations under the Indenture by virtue of such compliance.

On the Change of Control Payment Date, the Issuer will, to the extent lawful:

(1) accept for payment all Notes or portions of Notes properly tendered pursuant to the Change of Control Offer;

(2) deposit with the Paying Agent an amount equal to the Change of Control Payment in respect of all Notes or portions of Notes properly tendered; and

(3) deliver or cause to be delivered to the Paying Agent and the Registrar the Notes properly accepted together with an officers' certificate (with a copy to the Trustee) stating the aggregate principal amount of Notes or portions of notes being purchased by the Issuer.

The Paying Agent will promptly mail (or cause to be delivered) to each Holder of Notes properly tendered the Change of Control Payment for such Notes, and the Trustee will promptly authenticate (or cause to be authenticated) and mail (or cause to be transferred by book entry) to each Holder new Notes equal in principal amount to any unpurchased portion of the Notes surrendered, if any; *provided* that such new Notes will be in minimum denominations of €100,000 principal amount and integral multiples of €1,000 in excess thereof. Unless the issuer defaults in making the Change of Control Payment, any Notes so accepted for payment will cease to accrue interest on and after the Change of Control Payment Date. The Issuer will publicly announce the results of the Change of Control Offer on or as soon as reasonably practicable after the Change of Control Payment Date.

The provisions described above that require the Issuer to make a Change of Control Offer following a Change of Control Triggering Event will be applicable whether or not any other provisions of the Indenture are applicable. Except as described above with respect to a Change of Control Triggering Event, the Indenture does not contain provisions that permit the Holders of the Notes to require that the Issuer repurchase or redeem the Notes in the event of a takeover, recapitalization or similar transaction or any Change of Control that does not result in a Change of Control Triggering Event.

The Issuer will not be required to make a Change of Control Offer upon a Change of Control Triggering Event 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 Indenture applicable to a Change of Control Offer made by the Issuer and purchases all Notes properly tendered and not withdrawn under the Change of Control Offer or (2) notice of redemption has been given pursuant to the Indenture as described above under the caption "—*Optional Redemption*," unless and until there is a default in payment of the applicable redemption price.

The definition of Change of Control includes a phrase relating to the direct or indirect sale, lease, transfer, conveyance or other disposition of "all or substantially all" of the properties or assets of the Issuer and its Subsidiaries taken as a whole. Although there is a limited body of case law interpreting the phrase "substantially all," there is no precise established definition of the phrase under applicable law. Accordingly, the ability of a Holder of Notes to require the Issuer to repurchase its Notes as a result of a sale, lease, transfer, conveyance or other disposition of less than all of the assets of the Issuer and its Subsidiaries taken as a whole to another Person or group may be uncertain.

If and for so long as the Notes are listed on the Luxembourg Stock Exchange and admitted for trading on the Euro MTF, and the rules of the Luxembourg Stock Exchange so require, the Issuer will publish notices as soon as practicable relating to the Change of Control Offer in a leading newspaper of general circulation in Luxembourg (which is expected to be the *Luxemburger Wort*) or, to the extent and in the manner permitted by such rules, posted on the official website of the Luxembourg Stock Exchange.

The provisions of the Indenture relating to the Issuer's obligation to make an offer to repurchase the Notes as a result of a Change of Control may be waived or modified with the written consent of the Holders of a majority in aggregate principal amount of the then outstanding Notes.

The Revolving Credit Facility Agreement provides that the occurrence of a change of control would require the prepayment of all the outstanding Indebtedness under the Revolving Credit Facility Agreement. If the Issuer experiences a change of control that triggers a mandatory prepayment under the Revolving Credit Facility Agreement, the Issuer may seek the agreement of the relevant lenders thereunder to maintain the availability of the Revolving Credit Facility or seek to refinance the Revolving Credit Facility. Moreover, the exercise by the Holders of the Notes of their right to require the Issuer to repurchase the Notes could cause a default under, or require a repurchase of, other debt, even if a Change of Control Triggering Event does not, due to the financial effect of the repurchase of Notes on the Issuer. Finally, the Issuer's ability to repurchase Notes pursuant to a Change of Control Offer following the occurrence of a Change of Control Triggering Event may be limited by the Issuer's then-existing financial resources. There can be no assurance that sufficient funds will be available when necessary to make the required purchase of the Notes.

Asset Sales

The Issuer will not, and will not permit any of its Restricted Subsidiaries to, consummate an Asset Sale unless:

(1) the Issuer (or the Restricted Subsidiary, as the case may be) receives consideration (including by way of relief from, or by any other Person (other than the Issuer or a Restricted Subsidiary) assuming responsibility for, any liabilities, contingent or otherwise) at least equal to the Fair Market Value such Fair Market Value to be determined on the date of contractually agreeing to such Asset Sale of the Equity Interests and assets subject to such Asset Sale; and

(2) except in the case of a Permitted Asset Swap, at least 75% of the consideration received in the Asset Sale by the Issuer or such Restricted Subsidiary is in the form of cash, Cash Equivalents or Government Guaranteed Securities. For purposes of this provision, each of the following will be deemed to be cash:

(i) any liabilities, as shown on the Issuer's most recent consolidated balance sheet, of the Issuer or any Restricted Subsidiary (other than contingent liabilities and Subordinated Obligations) that are assumed by the transferee of any such assets or are discharged pursuant to an agreement that releases the Issuer or such Restricted Subsidiary from any further liability in connection therewith or indemnifies them against such further liability;

(ii) any securities, notes or other obligations received by the Issuer or any such Restricted Subsidiary from such transferee that are within 180 days, subject to ordinary settlement periods, converted by the Issuer or such Restricted Subsidiary into cash or Cash Equivalents, to the extent of the cash or Cash Equivalents received in that conversion;

(iii) any share or assets of the kind referred to in clauses (1)(iv), (1)(v) or (1)(vi) of the next paragraph of this covenant;

(iv) any Designated Non-Cash Consideration;

(v) Indebtedness of any Restricted Subsidiary of the Issuer that is no longer a Restricted Subsidiary as a result of such Asset Sale, to the extent that the Issuer and each other

Restricted Subsidiary are released from or indemnified against any guarantee of such Indebtedness in connection with such Asset Sale; and

(vi) Indebtedness of the Issuer or of any Restricted Subsidiary (other than Indebtedness that is by its terms subordinated to the Notes) received from Persons who are not the Issuer or any Restricted Subsidiary.

Within 365 days after the receipt of any Net Proceeds from an Asset Sale, the Issuer (or the applicable Restricted Subsidiary, as the case may be) may:

(1) apply such Net Proceeds, at its option:

(i) (i) to make an offer to purchase the Notes on a *pro rata* basis to all of the Holders of Notes at a purchase price equal to not less than 100% of the principal amount thereof, plus accrued and unpaid interest and Additional Amounts, if any, to, but excluding, the date of purchase; or (ii) to make an offer pursuant to the preceding sub-clause (i) and a substantially equivalent offer on a *pro rata* basis to holders of any other Pari Passu Indebtedness;

(ii) to prepay, repay or repurchase the Revolving Credit Facility or any other Indebtedness that is permitted by the Indenture to be Incurred and secured by a Lien on the Collateral with super senior status with respect to Collateral enforcement proceeds and/or other distressed disposals (or any Permitted Refinancing Indebtedness in respect thereof); *provided, however*, that, in connection with any prepayment, repayment or repurchase of Indebtedness pursuant to this clause (ii), the Issuer or such Restricted Subsidiary will retire such Indebtedness and will cause the related commitment (if any) (except in the case of any revolving Indebtedness including, but not limited to, the revolving credit facility made available under the Revolving Credit Facility Agreement) to be permanently reduced in an amount equal to the principal amount so prepaid, repaid or repurchased;

(iii) purchase or permanently prepay or redeem or repay (i) any Indebtedness that is only secured by Liens on assets or property that do not constitute Collateral and, if the Indebtedness prepaid, redeemed or repaid is revolving credit Indebtedness, to correspondingly reduce commitments with respect thereto; or (ii) with respect to the Net Proceeds from an Asset Sale made by a Restricted Subsidiary of the Issuer that is not a Guarantor, any Indebtedness of such Restricted Subsidiary (other than Indebtedness owed to the Issuer or another Restricted Subsidiary or any Affiliate thereof) and, if such Indebtedness repaid is revolving credit Indebtedness, to correspondingly reduce commitments with respect thereto;

(iv) to acquire all or substantially all of the assets of, or any Capital Stock of a Person engaged in, another Permitted Business, if, after giving effect to any such acquisition of Capital Stock, such Person is or becomes a Restricted Subsidiary of the Issuer or is merged with or into a Restricted Subsidiary of the Issuer;

(v) to make a capital expenditure;

(vi) to acquire other assets that are not classified as current assets under IFRS and that are used or useful in a Permitted Business; or

(vii) any combination of the foregoing;

provided, *however*, that, if the assets disposed of constitute Collateral or constitute all or substantially all of the assets of a Restricted Subsidiary whose Capital Stock has been pledged as Collateral, the Issuer shall pledge or shall cause the applicable Restricted Subsidiary to pledge any Capital Stock or assets (to the extent such assets were of a category of assets included in the Collateral as of the date of the Asset Sale) that were acquired with the Net Proceeds of an Asset Sale in accordance with this covenant to secure the Notes on a first-priority basis;

(2) enter into a binding commitment to apply the Net Proceeds pursuant to clause (iii), (iv), (v) or (vi) of clause (1) above, *provided* that such binding commitment shall be treated as a permitted

application of the Net Proceeds from the date of such commitment until the earlier of (x) the date on which such acquisition or expenditure is consummated and (y) the 180th day following the expiration of the aforementioned 365-day period; or

(3) any combination of the foregoing.

Pending the final application of any Net Proceeds, the Issuer or any applicable Restricted Subsidiary may temporarily reduce revolving credit borrowings or otherwise invest the Net Proceeds in any manner that is not prohibited by the Indenture.

Any Net Proceeds from Asset Sales that are not applied or invested as provided in the second paragraph of this covenant will constitute "Excess Proceeds." When the aggregate amount of Excess Proceeds exceeds the greater of €50.0 million and 1.5% of the Consolidated Total Assets of the Issuer (or the equivalent in another currency), within 30 days thereof, the Issuer will make an offer (an "Asset Sale Offer") to all Holders of Notes and (at the Issuer's election) to holders of Pari Passu Indebtedness containing provisions similar to those set forth in the Indenture with respect to offers to purchase, prepay, redeem or repay with the proceeds of sales of assets to purchase the maximum principal amount of Notes and such other Pari Passu Indebtedness that may be purchased out of the Excess Proceeds. The offer price in any Asset Sale Offer in respect of the Notes will not be less than 100% of the principal amount of the Notes and, in the case of Pari Passu Indebtedness, not greater than the principal amount thereof plus the offer premium offered with respect to the Notes in the Asset Sale Offer, plus, in each case, accrued and unpaid interest, and in the case of the Notes, Additional Amounts, if any, to the date of purchase in accordance with the Indenture or the agreements governing such Pari Passu Indebtedness, as applicable, and in the case of the Notes, in minimum denominations of €100,000 and in integral multiples of €1,000 in excess thereof. If any Excess Proceeds remain after consummation of an Asset Sale Offer, the Issuer or any Restricted Subsidiaries may use those Excess Proceeds for any purpose not otherwise prohibited by the Indenture. If the aggregate principal amount of Notes and other Pari Passu Indebtedness tendered into (or to be redeemed in connection with) such Asset Sale Offer exceeds the amount of Excess Proceeds, the Registrar will select the Notes and such other Pari Passu Indebtedness to be repaid on a *pro rata* basis based on the principal amount of Notes and such other Pari Passu Indebtedness presented for purchase. Upon completion of each Asset Sale Offer, the amount of Excess Proceeds will be reset at zero.

The Asset Sale Offer, insofar as it relates to the Notes, will remain open for a period of not less than 20 Business Days following its commencement (the "Asset Sale Offer Period"). No later than five Business Days after the termination of the Asset Sale Offer Period, the Issuer will purchase the principal amount of Notes and to the extent the Issuer elects, Pari Passu Indebtedness required to be purchased by it pursuant to this covenant, or if less than the Asset Sale Offer Amount has been so validly tendered, all Notes and Pari Passu Indebtedness validly tendered in response to the Asset Sale Offer.

On and after the repurchase date, unless the Issuer defaults in payment of the purchase price, interest shall cease to accrue on the Notes or portions thereof purchased.

The Issuer will comply with the requirements of any relevant securities laws and regulations thereunder to the extent those laws and regulations are applicable in connection with each repurchase of Notes pursuant to an Asset Sale Offer. To the extent that the provisions of any securities laws or regulations conflict with the Indenture, the Issuer will comply with the applicable securities laws and regulations and will not be deemed to have breached its obligations under the Asset Sale provisions of the Indenture by virtue of such compliance.

Certain Covenants

Changes in Covenants When Notes Rated Investment Grade

If on any date following the date of the Indenture:

(1) the Notes are rated Baa3 or better by Moody's and BBB- or better by S&P (or, if either such entity ceases to rate the Notes for reasons outside of the control of the Issuer, the equivalent investment grade credit rating from any other "nationally recognized statistical rating organization" registered under Section 15E of the U.S. Exchange Act selected by the Issuer as a replacement agency); and

(2) no Default or Event of Default shall have occurred and be continuing, then, beginning on that day and subject to the provisions of the following paragraph, the covenants specifically listed under the following captions in this listing prospectus will be suspended:

(i) "*—Repurchase at the Option of the Holders—Asset Sales*;"

(ii) "*—Restricted Payments*;"

(iii) "*—Incurrence of Indebtedness and Issuance of Preferred Stock*;"

(iv) "*—Dividend and Other Payment Restrictions Affecting Restricted Subsidiaries*;"

(v) "*—Designation of Restricted and Unrestricted Subsidiaries*;"

(vi) "*—Transactions with Affiliates*;"

(vii) clause (4) of the covenant described below under the caption "*—Merger, Consolidation or Sale of Assets*;" and

(viii) "*—Additional Note Guarantees*."

The Issuer will notify the Trustee in writing that the foregoing covenants have been suspended; *provided* that such notification shall not be a condition for the suspension of the covenants set forth above to be effective; *provided, further*, that the Trustee shall be under no obligation to inform the Holders that the foregoing covenants have been suspended. During any period that the foregoing covenants have been suspended (such period the "Suspension Period"), the Issuer's Board of Directors may not designate any of its Subsidiaries as Unrestricted Subsidiaries pursuant to the covenant described below under the caption "*—Designation of Restricted and Unrestricted Subsidiaries*" or the second paragraph of the definition of "Unrestricted Subsidiary."

Notwithstanding the foregoing, if on any subsequent date, the Notes cease to maintain ratings of at least Baa3 and BBB- from Moody's and S&P, respectively, the foregoing covenants will be reinstituted as of and from the date of such rating decline; *provided* that (i) with respect to Restricted Payments made after such reinstatement, the amount available to be made as Restricted Payments will be calculated as though the covenant described under "*—Restricted Payments*" had been in effect prior to, but not during, the Suspension Period; (ii) all Indebtedness Incurred, or Disqualified Stock issued, during the Suspension Period will be classified to have been Incurred or issued pursuant to clause (2) of the second paragraph of "*—Incurrence of Indebtedness and Issuance of Preferred Stock*;" (iii) any 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 (12) of the second paragraph of the covenant described under "*—Transactions with Affiliates*;" and (iv) any encumbrance or restriction on the ability of any Restricted Subsidiary that is not a Guarantor to take any action described in clauses (1) through (3) of the first paragraph of the covenant described under "*—Dividend and Other Payment Restrictions Affecting Subsidiaries*" that becomes effective during any Suspension Period shall be deemed to be permitted pursuant to clause (1) of the second paragraph of the covenant described under "*—Dividend and Other Payment Restrictions Affecting Subsidiaries*."

For the avoidance of doubt, the Issuer and any Restricted Subsidiary will be permitted, without causing a Default or Event of Default or breach of any kind under the Indenture, to honor, comply with or otherwise perform any contractual commitments or obligations entered into during a Suspension Period and to consummate the transactions contemplated thereby; *provided*, *however*, that (a) the Issuer and its Subsidiaries did not Incur or otherwise enter into such contractual commitments or obligations in contemplation of the Suspension Period ending and (b) the Issuer reasonably believed that such Incurrence or actions would not result in the of the Suspension Period ending. For purposes of clauses (a) and (b) in the preceding sentence, anticipation and reasonable belief shall be as determined in good faith by a responsible accounting or financial officer of the Issuer.

Within 20 Business Days of the end of a Suspension Period, the Issuer will cause any of its Restricted Subsidiaries that is not a Guarantor and that guaranteed any Indebtedness of the Issuer or any Guarantor during such Suspension Period to execute and deliver a Note Guarantee, subject to the second, fourth, fifth and seventh paragraphs of the covenant described under "*—Additional Note Guarantees*."

There can be no assurance that the Notes will ever achieve an investment grade rating or that any such rating will be maintained.

Restricted Payments

The Issuer will not, and will not permit any of its Restricted Subsidiaries to, directly or indirectly:

(1) declare or pay any dividend or make any other payment or distribution on account of the Issuer's or any of its Restricted Subsidiaries' Equity Interests (including, without limitation, any payment in connection with any merger or consolidation involving the Issuer's or any of its Restricted Subsidiaries) or to the direct or indirect holders of the Issuer's or any of its Restricted Subsidiaries' Equity Interests in their capacity as such on account of such Equity Interests (other than dividends or distributions payable in Equity Interests (other than Disqualified Stock) of the Issuer or in the form of Subordinated Shareholder Debt and other than dividends or distributions payable to the Issuer or a Restricted Subsidiary of the Issuer);

(2) purchase, redeem or otherwise acquire or retire for value (including, without limitation, in connection with any merger or consolidation involving the Issuer) any Equity Interests of the Issuer or any direct or indirect parent of the Issuer (other than in exchange for Equity Interests of the Issuer (other than Disqualified Stock) or Subordinated Shareholder Debt);

(3) make any principal payment on or with respect to, or purchase, redeem, defease or otherwise acquire or retire for value, prior to the scheduled maturity, scheduled repayment or scheduled sinking fund payment, any Subordinated Obligations of the Issuer (excluding (i) any intercompany Indebtedness between or among the Issuer and any of its Restricted Subsidiaries and (ii) the purchase, repurchase, redemption, acquisition or retirement of Subordinated Obligations acquired in anticipation of satisfying a sinking fund obligation, principal installment or final maturity, in each case due within one year of the date of the purchase, repurchase, redemption, acquisition or retirement);

(4) make any payment on or with respect to, or purchase, redeem, defease or otherwise acquire or retire for value any Subordinated Shareholder Debt (other than non-cash interest payable in Equity Interests (other than Disqualified Stock) of the Issuer or any payment in the form of additional Subordinated Shareholder Debt); or

(5) make any Restricted Investment,

(all such payments and other actions set forth in the foregoing clauses (1) through (5) being collectively referred to as "Restricted Payments"). Notwithstanding the foregoing, the Issuer or any Restricted Subsidiary may make a Restricted Payment if, at the time of and after giving *pro forma* effect to such Restricted Payment:

(1) no Default or Event of Default has occurred and is continuing or would occur as a consequence of such Restricted Payment;

(2) the Issuer would, at the time of such Restricted Payment and after giving pro forma effect thereto as if such Restricted Payment had been made at the beginning of the applicable four-quarter period, have been permitted to Incur at least €1.00 of additional Indebtedness pursuant to the Fixed Charge Coverage Ratio test set forth in clause (i) of the first paragraph of the covenant described below under the caption "—*Incurrence of Indebtedness and Issuance of Preferred Stock*;" and

(3) such Restricted Payment, together with the aggregate amount of all other Restricted Payments made by the Issuer and its Restricted Subsidiaries since July 1, 2017 and not returned or rescinded (excluding Restricted Payments permitted by clauses (2), (3), (4), (6), (7), (11) and (13) of the next succeeding paragraph), is less than the sum, without duplication, of:

    (i) 50% of the Consolidated Net Income of the Issuer for the period (taken as one accounting period) from July 1, 2017 to the end of the Issuer's most recently ended fiscal quarter for which internal financial statements are available at the time of such Restricted Payment (or, if such Consolidated Net Income for such period is a deficit, less 100% of such deficit); *plus*

    (ii) 100% of the aggregate net cash proceeds and the Fair Market Value of marketable securities and other property received by the Issuer since July 1, 2017 as a contribution to its common equity capital or from the issue or sale of Equity Interests of the Issuer (other than Disqualified Stock and Excluded Contributions) or Subordinated Shareholder Debt or from the issue or sale of convertible or exchangeable Disqualified

Stock or convertible or exchangeable debt securities of the Issuer that have been converted into or exchanged for such Equity Interests or Subordinated Shareholder Debt (other than Equity Interests (or Disqualified Stock or debt securities) sold to a Subsidiary of the Issuer); *plus*

(iii) to the extent that any Restricted Investment that was (i) made after July 1, 2017 is sold or otherwise disposed of or otherwise cancelled, liquidated or repaid, 100% of the aggregate amount received in cash and of the Fair Market Value of the marketable securities and other property received or (ii) made in an entity that subsequently becomes a Restricted Subsidiary (or is merged or consolidated with or into the Issuer or a Restricted Subsidiary), 100% of the Fair Market Value of the Restricted Investment of the Issuer and its Restricted Subsidiaries as of the date such entity becomes a Restricted Subsidiary (or is so merged or consolidated) or (iii) a guarantee made by the Issuer or one of its Restricted Subsidiaries to any Person, upon the full and unconditional release of such Restricted Investment, an amount equal to the amount of such guarantee; *plus*

(iv) to the extent that any Unrestricted Subsidiary of the Issuer designated as such after July 1, 2017 is redesignated as a Restricted Subsidiary after such date, or has been merged or consolidated with or into, or transfers or conveys its assets to, the Issuer or a Restricted Subsidiary of the Issuer, 100% of the Fair Market Value of the Issuer's Investment in such Subsidiary as of the date of such redesignation, combination or transfer (or of the assets transferred or conveyed, as applicable); *plus*

(v) the amount by which Indebtedness of the Issuer or a Restricted Subsidiary is reduced on the Issuer's consolidated balance sheet upon the conversion or exchange (other than by the Issuer or its Restricted Subsidiary) of such Indebtedness for Equity Interests (other than Disqualified Stock) of the Issuer or Subordinated Shareholder Debt (less the amount of any cash, and the Fair Market Value of any other property, received or distributed by the Issuer or any Restricted Subsidiary on any such conversion or exchange); *plus*

(vi) 100% of the Fair Market Value of any dividends, distributions or payments received by the Issuer or a Restricted Subsidiary of the Issuer after July 1, 2017 from an Unrestricted Subsidiary of the Issuer or from a Person in which the Issuer or a Restricted Subsidiary of the Issuer has a Restricted Investment to the extent that such dividends, distributions or payments were not otherwise included in the Consolidated Net Income of the Issuer for such period.

The preceding provisions will not prohibit:

(1) the payment of any dividend or distribution or the consummation of any redemption within 60 days after the date of declaration of the dividend or distribution or giving of the redemption notice, as the case may be, if at the date of declaration or notice, the dividend or distribution or redemption payment would have complied with the provisions of the Indenture;

(2) the making of any Restricted Payment in exchange for (including any such exchange pursuant to the exercise of a conversion right or privilege in connection with which cash is paid in lieu of the issuance of fractional shares or scrip), or out of the net cash proceeds of the substantially concurrent sale or issuance (other than to a Subsidiary of the Issuer) of, Equity Interests of the Issuer (other than Disqualified Stock) or Subordinated Shareholder Debt or from the substantially concurrent contribution of such proceeds to the common equity capital to the Issuer; provided that the amount of any such net cash proceeds that are utilized for any such Restricted Payment will be excluded from clause (3)(ii) of the preceding paragraph and will not constitute Excluded Contributions;

(3) any purchase, repurchase, redemption, defeasance or other acquisition or retirement of Subordinated Obligations made by exchange for, or out of the proceeds of the substantially concurrent sale of, Indebtedness permitted to be Incurred pursuant to the covenant described under "— Incurrence of Indebtedness and Issuance of Preferred Stock" below;

(4) the declaration or payment of any dividend or the making of any payment or distribution by a Restricted Subsidiary of the Issuer to the holders of its Equity Interests other than the Issuer or another Restricted Subsidiary on a no more than pro rata basis;

(5) so long as no Default has occurred and is continuing or would be caused thereby, the repurchase, redemption or other acquisition or retirement for value of any Equity Interests of the Issuer or any Restricted Subsidiary of the Issuer, or distribution to enable such repurchase, redemption or other acquisition or retirement for value of any Equity Interests of the Issuer or any Parent or Restricted Subsidiary of the Issuer, held directly or indirectly by any current or former officer, director, consultant or employee of the Issuer or any Parent or Restricted Subsidiary of the Issuer (or permitted transferees of such current or former officers, directors, consultants or employees); provided that the aggregate price paid for all such repurchased, redeemed, acquired or retired Equity Interests may not exceed the greater of €17.5 million and 0.5% of the Consolidated Total Assets of the Issuer in any calendar year, beginning in the year starting January 1, 2016, with the unused portion carried over to the next calendar year; provided, further, that such amount in any one-year period may be increased by an amount not to exceed the cash proceeds received by the Issuer or a Restricted Subsidiary during such period from the sale of Equity Interests of the Issuer or a Restricted Subsidiary in each case to members of management or directors or consultants of the Issuer or any Restricted Subsidiary or any Parent of the Issuer to the extent the cash proceeds from the sale of Equity Interests have not otherwise been applied to the making of Restricted Payments pursuant to clause (3)(ii) of the preceding paragraph or clauses (2), (8) or (15) of this paragraph;

(6) the repurchase of Equity Interests deemed to occur upon the exercise of stock options or warrants to the extent such Equity Interests represent a portion of the exercise price of those stock options or warrants;

(7) the declaration and payment of regularly scheduled or accrued dividends to holders of any class or series of Disqualified Stock of the Issuer or any preferred stock of any Restricted Subsidiary of the Issuer issued on or after the date of the Indenture in accordance with the Fixed Charge Coverage Ratio test set forth in the covenant described below under the caption "—Incurrence of Indebtedness and Issuance of Preferred Stock;"

(8) so long as no Default has occurred and is continuing or would be caused thereby, following an Initial Public Offering, the declaration and payment by the Issuer of, or loans, advances, dividends or distributions to any Parent to pay, dividends on the Capital Stock of the Issuer or any Parent, in an amount not to exceed in any fiscal year the greater of (a) 6% of the net cash proceeds received by the Issuer from such Initial Public Offering or contributed to the equity (other than through the issuance of Disqualified Stock or an Excluded Contribution) of the Issuer and (b) an amount equal to the greater of (i) the greater of (A) 7% of the Market Capitalization and (B) 7% of the IPO Market Capitalization (*provided* that after giving *pro forma* effect to such loans, advances, dividends or distributions, the Consolidated Net Leverage Ratio would not exceed 2.5 to 1.0) and (ii) the greater of (A) 5% of the Market Capitalization and (B) 5% of the IPO Market Capitalization (*provided* that after giving *pro forma* effect to such loans, advances, dividends or distributions, the Consolidated Net Leverage Ratio would not exceed 3.0 to 1.0);

(9) the declaration and payment of cash dividends and any repurchase, redemption, retirement or cancellation of the Issuer's Equity Interests not to exceed the greater of €25.0 million and 0.75% of the Consolidated Total Assets of the Issuer in any calendar year commencing on or after January 1, 2015, with the unused portion carried over to the next calendar year;

(10) so long as no Default has occurred and is continuing or would be caused thereby, (A) other Restricted Payments in an aggregate amount not to exceed the greater of €150.0 million and 4.5% of the Consolidated Total Assets of the Issuer and (B) any Restricted Payments; provided that, in the case of clause (B) only, the Consolidated Net Leverage Ratio of the Issuer does not exceed 3.3 to 1.0 on a pro forma basis after giving effect to any such Restricted Payments;

(11) any payments to minority shareholders as required by law or regulation pursuant to or in contemplation of a merger or consolidation involving the Issuer or any of its Restricted

Subsidiaries that does not violate the provisions of the covenant described under "—Merger, Consolidation or Sale of Assets;"

(12) payments of cash, dividends, distributions, advances or other Restricted Payments by the Issuer or any Restricted Subsidiary to allow the payment of cash in lieu of the issuance of fractional shares upon (x) the exercise of options or warrants or (y) the conversion or exchange of Capital Stock of any such Person;

(13) payments or other transactions pursuant to any tax sharing agreement or arrangement among the Issuer or any of its Restricted Subsidiaries and any other Person with which the Issuer or any of its Restricted Subsidiaries files or filed a consolidated tax return or with which the Issuer or any of its Restricted Subsidiaries is or was part of a consolidated group for tax purposes or any tax advantageous group contribution made pursuant to applicable legislation in amounts not otherwise prohibited by the Indenture; *provided, however*, that such payments, and the value of such transactions, shall not exceed the amount of tax that the Issuer or such Restricted Subsidiaries would owe without taking into account such other Person, and *provided, further*, that such payments shall be paid over to the appropriate taxing authority within 30 days of receipt unless and to the extent that such other Person has made a payment to the Issuer or such Restricted Subsidiary with respect to or resulting from any taxes attributable to the income of such other Person for any taxable period, in which case, such payments may be increased by the amount actually paid for such taxes by such other Person to the Issuer or such Restricted Subsidiary with respect to such taxable period;

(14) distributions or payments of Securitization Fees, sales contributions and other transfers of Securitization Assets and purchases of Securitization Assets pursuant to a Securitization Repurchase Obligation, in each case, in connection with a Qualified Securitization Financing or a Permitted Recourse Receivables Financing;

(15) Restricted Payments that are made with Excluded Contributions;

(16) any purchase, repurchase, redemption, defeasance or other acquisition or retirement of Subordinated Obligations or Disqualified Stock or preferred stock of a Restricted Subsidiary:

(i) from Net Proceeds to the extent permitted under "*—Repurchase at the Option of Holders—Asset Sales*" above, but only if (and to the extent required) the Issuer shall have first complied with the terms described under "*—Repurchase at the Option of Holders—Asset Sales*" and purchased all Notes tendered pursuant to any offer to repurchase all the Notes required thereby, prior to purchasing, repurchasing, redeeming, defeasing or otherwise acquiring or retiring such Subordinated Obligations, Disqualified Stock or preferred stock;

(ii) to the extent required by the agreement governing such Subordinated Obligations, Disqualified Stock or preferred stock, following the occurrence of (i) a Change of Control Triggering Event (or other similar event described therein as a "change of control") or (ii) an Asset Sale (or other similar event described therein as an "asset disposition" or "asset sale") but only if (and to the extent required) the Issuer shall have first complied with the terms described under "*—Repurchase at the Option of Holders—Change of Control Triggering Event*" or "*—Repurchase at the Option of Holders—Asset Sales*," as applicable, and purchased all Notes tendered pursuant to the offer to repurchase all the Notes required thereby, prior to purchasing, repurchasing, redeeming, defeasing or otherwise acquiring or retiring such Subordinated Obligations, Disqualified Stock or preferred stock; or

(iii) consisting of Acquired Debt (other than Indebtedness Incurred (A) to provide all or any portion of the funds utilized to consummate the transaction or series of related transactions pursuant to which such Person became a Restricted Subsidiary or was otherwise acquired by the Issuer or a Restricted Subsidiary or (B) otherwise in connection with or contemplation of such acquisition); and

(17) so long as no Default has occurred and is continuing or would be caused thereby, the redemption, defeasance, repurchase, exchange or other acquisition or retirement of Subordinated Obligations

in an aggregate amount at any time outstanding taken together with all other redemptions, defeasances, repurchases, exchanges or other acquisitions or retirements of Subordinated Obligations made pursuant to this clause not to exceed the greater of €62.0 million and 8.0% of Consolidated Cash Flow at the time of such redemption, defeasance, repurchase, exchange or other acquisition or retirement of Subordinated Obligations.

For purposes of determining compliance with this covenant, in the event that a Restricted Payment (or portion thereof) meets the criteria of more than one of the categories described in clauses (1) through (16) above, and/or is permitted pursuant to the first paragraph of this covenant and/or constitutes a Permitted Investment, the Issuer will be entitled to classify such Restricted Payment or Investment (or portion thereof) on the date of its payment or later reclassify (based on circumstances existing on the date of such reclassification) such Restricted Payment or Investment (or portion thereof) in any manner that complies with this covenant, including as a Permitted Investment.

The amount of all Restricted Payments (other than cash) will be the Fair Market Value on the date of the Restricted Payment of the asset(s) or securities proposed to be transferred or issued by the Issuer or such Restricted Subsidiary, as the case may be, pursuant to the Restricted Payment. The Fair Market Value of any assets or securities that are required to be valued by this covenant will be determined conclusively by the Issuer acting in good faith. For the avoidance of doubt, the Trustee shall have no obligation to determine the Fair Market Value of any assets or securities.

Incurrence of Indebtedness and Issuance of Preferred Stock

The Issuer will not, and will not permit any of its Restricted Subsidiaries to Incur any Indebtedness (including Acquired Debt), and the Issuer will not issue any Disqualified Stock and will not permit any of its Restricted Subsidiaries to issue any shares of preferred stock; *provided*, *however*, that:

(i) the Issuer and its Restricted Subsidiaries may Incur Indebtedness other than Senior Secured Debt (including Acquired Debt) or issue Disqualified Stock if the Fixed Charge Coverage Ratio for the Issuer's most recently ended four full fiscal quarters for which internal financial statements are available immediately preceding the date on which such additional Indebtedness is Incurred or such Disqualified Stock is issued, as the case may be, would have been at least 2.0 to 1.0, determined on a *pro forma* basis (including the *pro forma* application of the net proceeds therefrom), as if the additional Indebtedness had been Incurred or the Disqualified Stock had been issued, as the case may be, at the beginning of such four-quarter period; and

(ii) the Issuer and its Restricted Subsidiaries may Incur Senior Secured Debt (including Acquired Debt and preferred stock issued by Restricted Subsidiaries that are not Guarantors) if, in addition to compliance with the ratio set forth in clause (i), the Consolidated Net Senior Secured Leverage Ratio for the Issuer's most recently ended four full fiscal quarters for which internal financial statements are available immediately preceding the date on which such additional Senior Secured Debt is Incurred would have been less than 3.92 to 1.0, determined on a *pro forma* basis (including the *pro forma* application of the net proceeds therefrom), as if such additional Senior Secured Debt had been Incurred at the beginning of such four-quarter period.

The first paragraph of this covenant will not prohibit the Incurrence of any of the following items of Indebtedness (collectively, "Permitted Debt"):

(1) the Incurrence by the Issuer and its Restricted Subsidiaries of Indebtedness and letters of credit under Credit Facilities in an aggregate principal amount at any one time outstanding under this clause (1) not to exceed (x) the greater of €345.0 million and 46.0% of the Consolidated Cash Flow of the Issuer, *plus* (y) the greater of €773.0 million and 100.0% of the Consolidated Cash Flow of the Issuer, *plus* (z) in the case of any refinancing of any Indebtedness permitted under this clause (1) or any portion thereof, the aggregate amount of fees, underwriting discounts, accrued and unpaid interest, premiums (including tender premiums) and other costs and expenses (including fees and commissions paid as discounts) Incurred in connection with such refinancing; *provided* that Indebtedness Incurred under subclause (y) above may only be Incurred by the Issuer or any Guarantor;

(2) the Incurrence by the Issuer and its Restricted Subsidiaries of the Existing Indebtedness;

(3) the Incurrence by the Issuer and the Guarantors, as applicable, of Indebtedness represented by the Notes (and related Note Guarantees)to be issued on the Issue Date;

(4) the Incurrence by the Issuer or any of its Restricted Subsidiaries of Indebtedness represented by Capital Lease Obligations, mortgage financings or purchase money obligations or other Indebtedness or preferred stock, in each case, Incurred for the purpose of financing or refinancing all or any part of the purchase price or cost of acquisition, design, development, construction, lease, installation, transportation or improvement of property (real or personal), plant or equipment that is used or useful in the business of the Issuer or any of its Restricted Subsidiaries (each, a "Productive Asset Financing") (including Equity Interests of any Person owning such assets) (including any reasonable related fees or expenses Incurred in connection therewith), in an aggregate principal amount at any one time outstanding not to exceed the greater of €309.0 million and 40.0% of the Consolidated Cash Flow of the Issuer;

(5) the Incurrence by the Issuer or any of its Restricted Subsidiaries of Permitted Refinancing Indebtedness in exchange for, or the net proceeds of which are used to renew, refund, refinance, replace, defease or discharge any Indebtedness (other than intercompany Indebtedness) that was permitted by the Indenture to be Incurred under the first paragraph of this covenant or clauses (2), (3), (5) or (14) of this paragraph;

(6) the Incurrence by the Issuer or any of its Restricted Subsidiaries of intercompany Indebtedness between or among the Issuer and any of its Restricted Subsidiaries; *provided, however*, that:

  (i) except in respect of current liabilities Incurred in the ordinary course of business in connection with cash management, tax and accounting operations, if the Issuer or a Guarantor is the obligor on such Indebtedness, the aggregate principal amount of such Indebtedness exceeds €10.0 million and the payee is not the Issuer or a Guarantor, such Indebtedness must be expressly subordinated to the prior payment in full in cash of all Obligations then due with respect to the Notes, in the case of the Issuer, or the applicable Note Guarantee, in the case of a Guarantor; and

  (ii) (i) any subsequent issuance or transfer of Equity Interests that results in any such Indebtedness being held by a Person other than the Issuer or a Restricted Subsidiary of the Issuer and (ii) any sale or other transfer of any such Indebtedness to a Person that is not either the Issuer or a Restricted Subsidiary of the Issuer, will be deemed, in each case, to constitute an Incurrence of such Indebtedness by the Issuer or such Restricted Subsidiary, as the case may be, that was not permitted by this clause (6);

(7) the issuance by any of the Issuer's Restricted Subsidiaries to the Issuer or to any of its Restricted Subsidiaries of shares of preferred stock; *provided, however*, that:

  (i) any subsequent issuance or transfer of Equity Interests that results in any such preferred stock being held by a Person other than the Issuer or a Restricted Subsidiary of the Issuer; and

  (ii) any sale or other transfer of any such preferred stock to a Person that is not either the Issuer or a Restricted Subsidiary of the Issuer, will be deemed, in each case, to constitute an issuance of such preferred stock by such Restricted Subsidiary that was not permitted by this clause (7);

(8) the Incurrence by the Issuer or any of its Restricted Subsidiaries of Hedging Obligations in the ordinary course of business and not for speculative purposes;

(9) the guarantee by the Issuer or a Restricted Subsidiary of Indebtedness of the Issuer or any of its Restricted Subsidiaries so long as the Incurrence of such Indebtedness by the Issuer or such Restricted Subsidiary is permitted under the terms of the Indenture, *provided* that such guarantee is Incurred in accordance with the covenant described under "—Additional Note Guarantees;"

(10) guarantees by the Issuer or a Restricted Subsidiary of the Issuer of Indebtedness arising pursuant to terms requiring such Indebtedness to be guaranteed if the Notes are also guaranteed by the same Restricted Subsidiary on a senior or pari passu basis;

(11) the Incurrence by the Issuer or any of its Restricted Subsidiaries of Indebtedness in respect of workers' compensation claims, payment obligations in connection with health or other types of social security benefits, unemployment or other insurance or self-insurance obligations, statutory obligations, bankers' acceptances, export, import, customs, VAT and other tax guarantees, performance and bid, reclamation, remediation, completion, surety, appeal or similar bonds or performance guarantees in the ordinary course of business or consistent with past practice;

(12) Indebtedness constituting reimbursement obligations with respect to letters of credit, bankers' acceptances or similar instruments or obligations issued in the ordinary course of business, provided that upon the drawing or other funding of such letters of credit or other instruments or obligations, such drawings or fundings are reimbursed within ten Business Days;

(13) the Incurrence by the Issuer or any of its Restricted Subsidiaries of Indebtedness arising from the honoring by a bank or other financial institution of a check, draft or similar instrument inadvertently drawn against insufficient funds, so long as such Indebtedness is extinguished within ten Business Days;

(14) Indebtedness of any Person (a) outstanding on the date on which such Person becomes a Restricted Subsidiary of the Issuer or is merged, consolidated, amalgamated or otherwise combined with (including pursuant to any acquisition of assets and assumption of related liabilities) the Issuer or any Restricted Subsidiary or (b) Incurred to provide all or a portion of the funds utilized to consummate the transaction or series of related transactions pursuant to which such Person became a Restricted Subsidiary or was otherwise acquired by the Issuer or a Restricted Subsidiary or that was otherwise Incurred in connection with or in contemplation of such acquisition; *provided, however*, with respect to this clause (14), that at the time of the acquisition or other transaction pursuant to which such Indebtedness was deemed to be Incurred, such Indebtedness did not exceed: (A) an amount of Indebtedness that, taken together with any Permitted Refinancing Indebtedness in respect thereof and the principal amount of all other Indebtedness Incurred pursuant to this clause (14)(b)(A) and then outstanding, did not exceed the greater of €116.0 million and 15.0% of the Consolidated Cash Flow of the Company; *plus* (B) any additional Indebtedness to the extent that (x) either (i) the Issuer would have been able to Incur €1.00 of additional Indebtedness pursuant to clause (i) of the first paragraph of this covenant after giving pro forma effect to the Incurrence of such Indebtedness pursuant to this clause (14)(b)(B) and the application of the proceeds therefrom or (ii) the Fixed Charge Coverage Ratio would be no less than it was immediately prior to the Incurrence of such Indebtedness pursuant to this clause (14)(b)(B) and the application of the proceeds therefrom and (y) to the extent the Indebtedness Incurred pursuant to this clause (14)(b)(B) constitutes Senior Secured Debt, either (i) the Issuer and its Restricted Subsidiaries would have been able to Incur €1.00 of additional Indebtedness pursuant to clause (ii) of the first paragraph of this covenant after giving pro forma effect to the Incurrence of such Indebtedness pursuant to this clause (14)(b)(B) and the application of the proceeds therefrom or (ii) the Consolidated Net Senior Secured Leverage Ratio would be no greater than it was prior to the Incurrence of such Indebtedness pursuant to this clause (14)(b)(B) and the application of the proceeds therefrom;

(15) the Incurrence by the Issuer and its Restricted Subsidiaries of Indebtedness arising from agreements of the Issuer or a Restricted Subsidiary providing for indemnification, earnouts, adjustments of purchase price, guarantees or, in each case, similar obligations, in each case, Incurred or assumed in connection with the acquisition or disposition of any business or assets or Person or any Equity Interests of a Subsidiary in accordance with the terms of the Indenture, other than guarantees of Indebtedness Incurred or assumed by any Person acquiring all or any portion of such business, assets or Equity Interests of a Subsidiary for the purpose of financing such acquisition;

(16) customer deposits and advance payments received in the ordinary course of business from customers for goods and services purchased in the ordinary course of business;

(17) the Incurrence by the Issuer or any of its Restricted Subsidiaries of additional Indebtedness or the issuance by any Restricted Subsidiary that is not a Guarantor of preferred stock in an aggregate principal amount (or accreted value, as applicable) or having an aggregate liquidation preference at any time outstanding Incurred pursuant to this clause (17), not to exceed the greater of €232.0 million and 30.0% of the Consolidated Cash Flow of the Issuer;

(18) any customary cash management, cash pooling or netting or setting off arrangements in the ordinary course of business;

(19) Indebtedness of the Issuer in an aggregate outstanding principal amount (or accreted value, as applicable) at any time outstanding, not to exceed 100% of the Net Proceeds received by the Issuer from the issuance or sale (other than to a Subsidiary) of its Capital Stock (other than Disqualified Stock or an Excluded Contribution) or otherwise contributed to the equity (other than through the issuance of Disqualified Stock or an Excluded Contribution) of the Issuer or from the issuance or sale (other than to a Subsidiary) of Subordinated Shareholder Debt, in each case, subsequent to the Issue Date; provided, however, that (i) any such Net Proceeds that are so received or contributed shall be excluded for purposes of making Restricted Payments under the first paragraph and clause (2), the second proviso to clause (5), clause (8) and clause (15) of the second paragraph of the covenant described under the caption "—Restricted Payments" to the extent the Issuer Incurs Indebtedness in reliance thereon; and (ii) any Net Cash Proceeds that are so received or contributed shall be excluded for purposes of Incurring Indebtedness pursuant to this clause (19) to the extent the Issuer or any of its Restricted Subsidiaries makes a Restricted Payment under the first paragraph or clause (2), the second proviso to clause (5), clause (8) or clause (15) of the second paragraph of the covenant described under the caption "—Restricted Payments" in reliance thereon;

(20) Indebtedness of the Issuer or any Restricted Subsidiary in respect of Management Advances;

(21) Indebtedness of the Issuer or a Restricted Subsidiary in respect of any Qualified Securitization Financing;

(22) Indebtedness of the Issuer or a Restricted Subsidiary in respect of any Permitted Recourse Receivables Financing not to exceed the greater of €77.0 million and 10.0% of the Consolidated Cash Flow of the Issuer;

(23) Indebtedness of the Issuer or any Restricted Subsidiary consisting of local lines of credit and overdraft and working capital facilities in an aggregate amount at any time outstanding not to exceed the greater of €116.0 million and 15.0% of the Consolidated Cash Flow of the Issuer; and

(24) Debt of the Company or any Restricted Subsidiary consisting of leases (including Capital 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 January 1, 2019, before the implementation of IFRS 16 (Leases).

Notwithstanding the foregoing, the aggregate principal amount of Indebtedness Incurred pursuant to the first paragraph and clauses (1) and (14)(b) of the second paragraph of this covenant by a Restricted Subsidiary of the Issuer that is not a Guarantor shall not exceed at any one time outstanding the greater of €309.0 million and 40.0% of the Consolidated Cash Flow of the Company.

For purposes of determining compliance with this "*Incurrence of Indebtedness and Issuance of Preferred Stock*" covenant, in the event that an item of proposed Indebtedness or preferred stock meets the criteria of more than one of the categories of Permitted Debt described in clauses (1) through (24) above, or is entitled to be Incurred pursuant to the first paragraph of this covenant, the Issuer will be permitted, in its sole discretion, to classify such item of Indebtedness or preferred stock on the date of its Incurrence and will only be required to include the amount and type of such Indebtedness or preferred stock in one of the above clauses, although the Issuer may, in its sole discretion, divide and classify an item of Indebtedness or preferred stock in one or more of the types of Indebtedness or preferred stock and may later reclassify all or a portion of such item of Indebtedness or preferred stock in any manner that complies with this covenant; *except* that (i) all Indebtedness outstanding under the Revolving Credit Facility and any Senior Secured Debt that is secured by Liens on the Collateral that is accorded super senior priority status with respect to the proceeds of enforcement of the Collateral under the

Intercreditor Agreements or any Additional Intercreditor Agreement shall be deemed to have been Incurred under clause (1)(x) of the definition of Permitted Debt and may not be reclassified.

The accrual of interest or dividends, the accretion or amortization of original issue discount, the payment of interest on any Indebtedness in the form of additional Indebtedness with the same terms, the reclassification of preferred stock as Indebtedness due to a change in accounting principles, and the payment of dividends on Disqualified Stock or preferred stock in the form of additional shares of the same class of Disqualified Stock or preferred stock and the reclassification of commitments or obligations not treated as Indebtedness due to a change in IFRS will not be deemed to be an Incurrence of Indebtedness or an issuance of Disqualified Stock for purposes of this covenant; *provided*, in each such case, that the amount of any such accrual, accretion or payment is included in Fixed Charges of the Issuer as accrued.

Notwithstanding any other provision of this covenant (including pursuant to any Permitted Refinancing Indebtedness permitted pursuant to this covenant), the maximum amount of Indebtedness that the Issuer or any Restricted Subsidiary may Incur pursuant to this covenant shall not be deemed to be exceeded solely as a result of fluctuations in exchange rates or currency values. Furthermore, notwithstanding anything in this covenant to the contrary, in the case of any Indebtedness Incurred to refinance Indebtedness initially Incurred in reliance on a clause of the second paragraph of this covenant measured by reference to a percentage of Consolidated Cash Flow at the time of Incurrence, if such refinancing would cause the percentage of Consolidated Cash Flow restriction to be exceeded if calculated based on the percentage of Consolidated Cash Flow on the date of such refinancing, such percentage of Consolidated Cash Flow restriction shall not be deemed to be exceeded so long as the principal amount of such refinancing Indebtedness does not exceed the principal amount of such Indebtedness being refinanced, plus premiums (including tender premiums), defeasance, costs and fees in connection with such refinancing.

For purposes of determining compliance with any euro-denominated restriction on the Incurrence of Indebtedness, the Euro Equivalent of the principal amount of Indebtedness denominated in another currency will be calculated based on the relevant currency exchange rate in effect on the date such Indebtedness was Incurred, in the case of term Indebtedness, or first committed, in the case of Indebtedness Incurred under a revolving credit facility; *provided* that (1) if such Indebtedness is Incurred to refinance other Indebtedness denominated in a currency other than euros, 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 will be deemed not to have been exceeded so long as the principal amount of such Permitted Refinancing Indebtedness does not exceed the principal amount of such Indebtedness being refinanced; (2) the Euro Equivalent of the principal amount of any such Indebtedness outstanding on the date of the Indenture will be calculated based on the relevant currency exchange rate in effect on the date of the Indenture; and (3) if and for so long as any such Indebtedness is subject to an agreement intended to protect against fluctuations in currency exchange rates with respect to the currency in which such Indebtedness is denominated covering principal and interest on such Indebtedness, the amount of such Indebtedness, if denominated other than in euros, 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.

For purposes of determining compliance with this covenant, with respect to Indebtedness Incurred under a Credit Facility, reborrowings of amounts previously repaid pursuant to “cash sweep” or “clean down” provisions or any similar provisions under a Credit Facility that provide that Indebtedness is deemed to be repaid periodically shall only be deemed for purposes of this covenant to have been Incurred on the date such Indebtedness was first Incurred and not on the date of any subsequent reborrowing thereof.

In the event that the Issuer or a Restricted Subsidiary enters into or increases commitments under a revolving credit facility, enters into any commitment to Incur or issue Indebtedness or commits to Incur any Lien pursuant to clause (21) of the definition of “Permitted Liens,” the Incurrence or issuance thereof for all purposes under the Indenture, including without limitation for purposes of calculating the Fixed Charge Coverage Ratio, the Consolidated Net Senior Secured Leverage Ratio or the Consolidated Net Leverage Ratio, as applicable, or usage of clauses (1), (2), (4), (5), (9), (12), (14), (17), (19), (21), (22) and (23) of the second paragraph of this covenant (if any) for borrowings and re-borrowings thereunder (and including issuance and creation of letters of credit and bankers’ acceptances thereunder) will, at the Issuer’s option, either (a) be determined on the date of such revolving credit facility or such entry into or increase in commitments (assuming that the full amount thereof has been borrowed as of such date) or other Indebtedness, Disqualified Stock or Preferred Stock, and, if such Fixed Charge Coverage Ratio, the Consolidated Net Senior Secured Leverage Ratio or the Consolidated Net Leverage Ratio, as applicable, test or other provision of the Indenture is satisfied with respect thereto at such time, any borrowing or re-borrowing thereunder (and the issuance and creation of letters of credit and bankers' acceptances thereunder) will be permitted under this covenant irrespective of the Fixed Charge Coverage Ratio, the Consolidated Net Senior Secured Leverage Ratio or the Consolidated Net Leverage Ratio, as applicable, or other provision of the Indenture at the time of such borrowing or re-borrowing (or issuance or creation of letters of credit or bankers' acceptances thereunder) (the committed amount permitted to be borrowed or reborrowed (and the issuance and creation of letters of credit and bankers' acceptances) on a date pursuant to the operation of this clause (a) shall be the "Reserved Indebtedness Amount" as of such date for purposes of the Fixed Charge Coverage Ratio, the Consolidated Net Senior Secured Leverage Ratio or the Consolidated Net Leverage Ratio, as applicable, and, to the extent of the usage of clauses (1) through (24) of the preceding paragraph (if any), shall be deemed to be Incurred and outstanding under such clauses) or (b) be determined on the date such amount is borrowed pursuant to any such facility or increased commitment, and in each case, the Issuer may revoke such determination at any time and from time to time.

The amount of any Indebtedness outstanding as of any date will be:

(1) the accreted value of the Indebtedness, in the case of any Indebtedness issued with original issue discount;

(2) the principal amount of the Indebtedness, in the case of any other Indebtedness; and

(3) in the case of Hedging Obligations, the net amount payable if such Hedging Obligations were terminated at that time due to default by such Person (after giving effect to any contractually permitted set-off);

(4) in respect of Indebtedness 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 Indebtedness of the other Person; and

(5) the principal amount of any Disqualified Stock of the Issuer or Preferred Stock of a Restricted Subsidiary will be equal to the greater of the maximum mandatory redemption or repurchase price (not including, in either case, any redemption or repurchase premium) or the liquidation preference thereof.

Financial Calculations

When calculating the availability under any basket or ratio under the Indenture, in each case in connection with any merger, acquisition, disposition, joint venture, Investment or other similar transaction, in each case where there is a time difference between commitment and closing or Incurrence (including in respect of Incurrence of Indebtedness, Restricted Payments and Permitted Investments), the date of determination of such basket or ratio and of any Default or Event of Default shall, at the option of the Issuer, be the date the definitive agreements for such merger, acquisition, disposition, joint venture, Investment or other similar transaction are entered into (or, in case of a transaction in the form of a tender or exchange offer in connection with which no definitive agreement is entered into with the target company, the date of such tender or exchange offer) and such baskets or ratios shall be calculated on a *pro forma* basis after giving effect to such merger, acquisition, disposition, joint venture, Investment or other similar transaction and the other transactions to be entered into in connection therewith (including any Incurrence of Indebtedness and the use of proceeds thereof) as if they occurred at the beginning of the applicable reference period for purposes of determining the ability to consummate any such transaction (and not for purposes of any subsequent availability of any basket or ratio), and, for the avoidance of doubt, (x) if any of such baskets or ratios are exceeded as a result of fluctuations in such basket or ratio (including due to fluctuations in Consolidated Cash Flow or Consolidated Total Assets or the share price or share value of any Person) subsequent to such date of determination and at or prior to the consummation of the relevant transaction, 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 transaction is permitted hereunder and (y) such baskets or ratios shall not be tested at the time of consummation of such transaction or related transactions; *provided*, that if the Issuer elects to have such determinations occur at the time of entry into such definitive agreement (or the time of such tender or exchange offer, as the case may be), 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 (or the date of such tender or exchange offer, as the case may be) and outstanding thereafter for purposes of calculating any baskets or ratios under the Indenture after the date of such agreement (or tender or exchange offer, as the case may be) and before the consummation of such transaction.

No Layering of Debt

Neither the Issuer nor any Guarantor will Incur any Indebtedness (including Permitted Debt) that is contractually subordinated in right of payment to any other Indebtedness of the Issuer or such Guarantor unless such Indebtedness is also contractually subordinated in right of payment to the Notes and the applicable Note Guarantee on substantially identical terms. No such Indebtedness will be considered to be subordinate or junior in right of payment to any other Indebtedness by reason of any Liens or guarantees arising or created in respect of such other Indebtedness or by virtue of the fact that holders of any secured Indebtedness have entered into intercreditor agreements giving one or more holders priority over other holders in the collateral held by them.

Additional Note Guarantees

The Issuer will not permit any of its Restricted Subsidiaries, directly or indirectly, to Guarantee any other Indebtedness of the Issuer (other than the Notes) or a Guarantor (other than a Guarantee of the Notes and other than Indebtedness Incurred pursuant to clause (17) of the definition of Permitted Debt) unless such Restricted Subsidiary simultaneously executes and delivers a supplemental indenture providing for the Note Guarantee of the payment of the Notes by such Restricted Subsidiary, which Note Guarantee will be senior to or *pari passu* with such Restricted Subsidiary's Guarantee of such other Indebtedness.

The first paragraph of this covenant will not be applicable to any guarantees of any Restricted Subsidiary:

(1) 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

(2) arising solely due to the granting of a Permitted Lien that would not otherwise constitute a guarantee of Indebtedness of the Issuer.

Until the occurrence of the Super Senior Conversion Date, on or before the date falling 60 days after receipt by the Trustee of each set of annual financial statements required to be delivered pursuant to the covenant described under "—*Reports*," the Issuer shall cause such Restricted Subsidiaries as are necessary to ensure that the aggregate of earnings before interest, tax, depreciation and amortization of the Issuer and any Guarantors (calculated on the same basis as Consolidated Cash Flow taking each entity on an unconsolidated basis and excluding all intra-group items) for the most recently ended fiscal year exceeds 55% of the Consolidated Cash Flow of the Issuer (the "Coverage Percentage") over the same fiscal year (the "Coverage Test") to:

(1) execute and deliver to the Trustee a supplemental indenture in the form attached to the Indenture pursuant to which such Restricted Subsidiary will provide a Note Guarantee; and

(2) accede as a party to the then-existing Intercreditor Agreement or any Additional Intercreditor Agreement.

No Note Guarantee shall be required if such Note Guarantee could reasonably be expected to give rise to or result in (A) personal liability for the officers, directors or shareholders of the Issuer or such Restricted Subsidiary, (B) any violation of applicable law that cannot be avoided or otherwise prevented through measures reasonably available to the Issuer or such Restricted Subsidiary, including, for the avoidance of doubt, "whitewash" or similar procedures or (C) any significant cost, expense, liability or obligation (including with respect of any Taxes) other than reasonable out-of-pocket expenses and other than reasonable expenses Incurred in connection with any governmental or regulatory filings required as a result of, or any measures pursuant to clause (B) undertaken in connection with, such Note Guarantee, which cannot be avoided through measures reasonably available to the Issuer or the Restricted Subsidiary.

The Note Guarantee of a Guarantor will automatically and unconditionally be released:

(1) in connection with any sale, disposition or transfer of all or substantially all of the assets of that Guarantor or a Parent of that Guarantor other than the Issuer (including by way of merger, amalgamation, combination or consolidation) to a Person that is not (either before or after giving

effect to such transaction) the Issuer or a Restricted Subsidiary of the Issuer, if the sale or other disposition does not violate the "Asset Sale" provisions of the Indenture;

(2) in connection with any sale, disposition or transfer of all of the Capital Stock of that Guarantor (or Capital Stock of a Parent of the relevant Guarantor (other than the Issuer)) to a Person that is not (either before or after giving effect to such transaction) the Issuer or a Restricted Subsidiary of the Issuer or a direct or indirect Parent of the Issuer, if the sale or other disposition does not violate the "Asset Sale" provisions of the Indenture;

(3) if the Issuer designates any Restricted Subsidiary that is a Guarantor (or designates a Parent of such Guarantor) to be an Unrestricted Subsidiary in accordance with the applicable provisions of the Indenture;

(4) upon repayment in full of the Notes;

(5) upon legal defeasance or satisfaction and discharge of the Indenture as provided below under the captions "—Legal Defeasance and Covenant Defeasance" and "—Satisfaction and Discharge;"

(6) as described under "—Amendment, Supplement and Waiver;"

(7) in the case of any Restricted Subsidiary that after the date of the Indenture is required to provide a Guarantee pursuant to the first paragraph of the covenant described under "—Additional Note Guarantees," upon the release or discharge of the guarantee of Indebtedness by such Restricted Subsidiary which resulted in the obligation to provide such Guarantee so long as no other Indebtedness is at that time guaranteed by the relevant Restricted Subsidiary that would result in the requirement that such Guarantor provide a Guarantee pursuant to the covenant described under the caption "—Additional Note Guarantees;" or

(8) in the case of a Note Guarantee given by a Guarantor pursuant to the third paragraph of this covenant, if, after giving pro forma effect to such release, the Coverage Test would continue to be satisfied for the most recently ended four full fiscal quarters for which internal financial statements are available immediately preceding the date of the release.

Upon any release of a Note Guarantee contemplated under this "*—Additional Note Guarantees*" section, the Trustee shall execute any documents reasonably required in order to evidence such release, discharge and termination in respect of such Note Guarantee.

Each Note Guarantee provided pursuant to the provisions of this covenant will be limited to the maximum amount that can be guaranteed by such Guarantor without rendering such Guarantee void, voidable or unenforceable under applicable law or as otherwise necessary to recognize certain defenses generally available to guarantors (including those that relate to fraudulent conveyance or transfer, voidable preference, financial assistance, corporate purpose, corporate benefit, capital maintenance or similar laws, regulations or defenses affecting the rights of creditors generally) or other considerations under applicable law, including the liability of directors and officers.

The Issuer will be permitted after the Issue Date to cause additional Restricted Subsidiaries to become Guarantors under the Indenture that are not required at such time to become Guarantors pursuant to the first or third paragraph of this covenant (such Guarantors "Optional Guarantors"). The Issuer will be entitled to release any such Optional Guarantor from its Note Guarantee provided (x) no Default or Event of Default would be in existence following such a release; (y) there is no Indebtedness of such Guarantor outstanding which was Incurred after the Issue Date and which could not have been Incurred under the covenant described under the caption "—*Incurrence of Indebtedness and Issuance of Permitted Stock*" as at the date of such release if such Guarantor were not designated as a Guarantor as at that date and (z) such Optional Guarantor is not at the time of the proposed release otherwise required to be a Guarantor pursuant to this covenant. Upon any release of a Note Guarantee contemplated under this "*Additional Note Guarantees*" section, the Trustee shall execute any documents reasonably required in order to evidence such release, discharge and termination in respect of such Note Guarantee.

Limitation on Liens

The Issuer will not and will not permit any of the Restricted Subsidiaries to, directly or indirectly, create, Incur, assume or suffer to exist any Lien of any kind securing Indebtedness of the Issuer or any Restricted

Subsidiary of the Issuer upon any of their 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) if such Lien (the "Initial Lien") is not a Permitted Lien, to the extent that all payments due under the Indenture, the Notes and the Note Guarantees, as the case may be, are secured on an equal and ratable basis (or in the case of Indebtedness which is subordinated in right of payment to the Notes or any Note Guarantees (as the case may be), prior or senior thereto with the same relative priority as the Notes or such Note Guarantee, as applicable, shall have with respect to such subordinated Indebtedness) with the obligations so secured and (2) in the case of any property or asset that constitutes Collateral, Permitted Collateral Liens.

The Issuer will not, and will not cause or permit any of its Restricted Subsidiaries to, Incur any Indebtedness that is secured by a Lien upon any of the Principals' or their Related Parties' respective Equity Interests in the Issuer, now owned or hereafter acquired, except for Liens securing the Notes on a first-priority basis and (if the Notes are so secured) other Permitted Collateral Liens.

Any Lien created for the benefit of the Holders of Notes shall provide by its terms that such Lien shall be automatically and unconditionally released and discharged upon (or where not automatically released and discharged, the Person having granted such security will be entitled to seek such Liens' unconditional release and discharge) under any one or more of the following circumstances:

(1) the release and discharge of the Initial Lien to which it relates;

(2) upon the sale, disposition or transfer of the assets which are subject to such Liens (including by way of merger, consolidation, amalgamation or combination) to a Person that is not (either before or after giving effect to such transaction), the Issuer or a Restricted Subsidiary of the Issuer, if such sale, disposition or transfer does not violate the provisions set forth under "—*Repurchase at the Option of Holders—Asset Sales*;"

(3) upon the sale, disposition or transfer of Capital Stock of the Restricted Subsidiary that has granted such Liens (or Capital Stock of a Parent of the relevant Restricted Subsidiary (other than the Issuer)) to a Person that is not (either before or after giving effect to such transaction) the Issuer or a Restricted Subsidiary of the Issuer, if (i) after giving effect to such sale, disposition or transfer, such Person is no longer a Restricted Subsidiary of the Issuer and (ii) the sale, disposition or transfer does not violate the provisions set forth under "—*Repurchase at the Option of Holders—Asset Sales*;"

(4) upon the defeasance or discharge of the Notes as provided in "—*Legal Defeasance and Covenant Defeasance*" or "—*Satisfaction and Discharge*," in each case, in accordance with the terms of the Indenture;

(5) if the relevant Restricted Subsidiary is designated as an Unrestricted Subsidiary (or is a Subsidiary of such designated Subsidiary) and such designation complies with the other applicable provisions of the Indenture (in which case, for the avoidance of doubt, such release will be of the property and assets (as well as any Equity Interests and Indebtedness) of such Restricted Subsidiary);

(6) upon full and final repayment of the Notes; and

(7) in accordance with the captions below entitled "—Certain Covenants—Impairment of Security Interest" and "—Amendment, Supplement and Waiver".

Upon any occurrence giving rise to a release and discharge of a Lien created for the benefit of the Holders pursuant to the third paragraph, as specified above, the Security Agent, subject to receipt of an officer's certificate certifying that the event or circumstance in question has occurred, will execute any documents reasonably required in order to evidence or effect such release and discharge in respect of such Lien.

A Lien shall be deemed to rank equally with another Lien notwithstanding (i) any different preference or hardening period applicable thereto, (ii) any other difference in priority so long as an "assignment of ranking" or other sharing arrangement has been entered into by or for the benefit of beneficiaries of each such Lien or (iii) any difference in validity or enforceability.

Dividend and Other Payment Restrictions Affecting Subsidiaries

The Issuer will not, and will not permit any of its Restricted Subsidiaries to, directly or indirectly, create or permit to exist or become effective any consensual encumbrance or restriction on the ability of any Restricted Subsidiary to:

(1) pay dividends or make any other distributions on its Capital Stock to the Issuer or any of its Restricted Subsidiaries, or with respect to any other interest or participation in, or measured by, its profits, or pay any indebtedness owed to the Issuer or any of its Restricted Subsidiaries;

(2) make loans or advances to the Issuer or any of its Restricted Subsidiaries; or

(3) sell, lease or transfer any of its properties or assets to the Issuer or any of its Restricted Subsidiaries,

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 Issuer or any Restricted Subsidiary to other Indebtedness Incurred by the Issuer or any Restricted Subsidiary, in each case, shall not be deemed to constitute such an encumbrance or restriction.

However, the preceding restrictions will not apply to encumbrances or restrictions existing under or by reason of:

(1) agreements governing Existing Indebtedness, Capital Lease Obligations and Credit Facilities as in effect on the date of the Indenture and any amendments, restatements, modifications, renewals, supplements, refundings, replacements or refinancings of those agreements; *provided* that such 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 or would not, in the good faith determination of the Issuer, materially impair the ability to (a) make payments of amounts due in respect of the Notes or (b) comply with the respective obligations of the Issuer under the Notes or the Indenture (as, in each case, determined in good faith by a responsible accounting or financial officer of the Issuer);

(2) the Notes, the Indenture and the Security Documents;

(3) applicable law, rule, regulation, order, approval, license, authorization, permit or concession or any similar restriction or other control by any government or governmental authority;

(4) any instrument or agreement governing Indebtedness or Capital Stock of a Person acquired by the Issuer or any of its Restricted Subsidiaries as in effect at the time of such acquisition (except to the extent such Indebtedness or Capital Stock was Incurred or issued in connection with or in contemplation of such acquisition), 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; provided that, in the case of Indebtedness, such Indebtedness was permitted by the terms of the Indenture to be Incurred;

(5) customary non-assignment provisions or subletting restrictions in contracts, leases and licenses entered into in the ordinary course of business;

(6) purchase money obligations for property (including Capital Stock) acquired in the ordinary course of business and Capital Lease Obligations that impose restrictions on the property purchased or leased of the nature described above in clause (3) of the preceding paragraph;

(7) any agreement for the sale or other disposition of the Capital Stock or assets of a Restricted Subsidiary that restricts distributions by that Restricted Subsidiary pending closing of the sale or other disposition;

(8) Permitted Refinancing Indebtedness; provided that the restrictions contained in the agreements governing such Permitted Refinancing Indebtedness are not materially more restrictive, taken

as a whole, than those contained in the agreements governing the Indebtedness being refinanced (as determined in good faith by a responsible accounting or financial officer of the Issuer);

(9) Liens not prohibited to be Incurred under the provisions of the covenant described above under the caption "—Limitation on Liens" that limit the right of the debtor to dispose of the assets subject to such Liens;

(10) customary provisions limiting the disposition or distribution of assets or property or transfer of Capital Stock in joint venture agreements, limited liability company organizational documents, asset sale agreements, sale-leaseback agreements, stock sale agreements, minority shares arrangements and other similar agreements entered into (A) in the ordinary course of business, consistent with past practice or (B) with the approval of the Issuer's Board of Directors, which limitation is applicable only to the assets, property or Capital Stock that are the subject of such agreements;

(11) restrictions on cash, Cash Equivalents, Government Guaranteed Securities or other deposits or net worth imposed by customers, suppliers or lessors or required by insurance, surety or bonding companies under contracts or leases entered into in the ordinary course of business;

(12) any agreement or instrument relating to Indebtedness permitted to be Incurred after the Issue Date under the covenant entitled "—Incurrence of Indebtedness and Issuance of Preferred Stock"; provided, however, that such encumbrance or restriction is not materially more disadvantageous to the Holders of the Notes than is customary in comparable financings (as determined in good faith by a responsible accounting or financial officer of the Issuer) and either (x) a responsible accounting or financial officer of the Issuer determines that such encumbrance or restriction will not materially affect the Issuer's ability to make principal or interest payments on the Notes as and when they come due or (y) such encumbrance or restriction applies only if a default occurs in respect of a payment or financial covenant relating to such Indebtedness;

(13) Hedging Obligations entered into from time to time for bona fide hedging purposes of the Issuer and its Restricted Subsidiaries;

(14) encumbrances on property that exist at the time the property was acquired by the Issuer or a Restricted Subsidiary of the Issuer provided such encumbrance was not created in anticipation of such acquisition;

(15) any encumbrances or restrictions imposed by any amendments or refinancings of the contracts, instruments or obligations referred to in clauses (1) through (14) above; provided that such amendments or refinancings are not materially more restrictive, taken as a whole, than such encumbrances and restrictions prior to such amendment or refinancing (as determined in good faith by a responsible accounting or financial officer of the Issuer); and

(16) restrictions created in connection with any Qualified Securitization Financing or Permitted Recourse Receivables Financing that, in the good faith determination of the Issuer, are necessary or advisable to effect such Qualified Securitization Financing or Permitted Recourse Receivables Financing.

Merger, Consolidation or Sale of Assets

The Issuer

The Issuer will not, directly or indirectly: (1) consolidate or merge with or into another Person (whether or not the Issuer is the surviving corporation); or (2) sell, assign, transfer, convey or otherwise dispose of all or substantially all of the properties or assets of the Issuer and its Restricted Subsidiaries taken as a whole, in one or more related transactions, to another Person. The previous sentence will not apply if at the time and immediately after giving effect to any such transaction or series of transactions:

(1) either: (a) the Issuer is the surviving corporation; or (b) the Person formed by or surviving any such consolidation or merger (if other than the Issuer) or to which such sale, assignment, transfer, conveyance or other disposition has been made is a corporation organized or existing under the laws of any European Union Member State, Switzerland, Norway, Canada or the United States, any state of the United States or the District of Columbia;

(2) the Person formed by or surviving any such consolidation or merger (if other than the Issuer) or the Person to which such sale, assignment, transfer, conveyance or other disposition has been made assumes all the obligations of the Issuer under the Notes, the Indenture, the then-existing Intercreditor Agreement, any Additional Intercreditor Agreement and the Security Documents;

(3) immediately after giving effect to such transaction or series of transactions, no Default or Event of Default will have occurred and be continuing;

(4) the Issuer or the Person formed by or surviving any such consolidation or merger (if other than the Issuer), or to which such sale, assignment, transfer, conveyance or other disposition has been made 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 Indebtedness pursuant to the Fixed Charge Coverage Ratio test set forth in clause (i) of the first paragraph of the covenant described above under the caption "*—Incurrence of Indebtedness and Issuance of Preferred Stock*" or (ii) have a Fixed Charge Coverage Ratio no less than it was immediately prior to giving effect to such transaction; and

(5) the Issuer shall have delivered to the Trustee an officers' certificate and an opinion of counsel, each to the effect that such consolidation, merger or transfer and, in the event of a successor to the Issuer, supplemental indenture and other customary agreements (if any) comply with the Indenture and an opinion of counsel to the effect that such supplemental indenture and other customary agreements (if any) have been duly authorized, executed and delivered and are the legal, valid and binding agreements enforceable against the successor to the Issuer (in each case, in form and substance reasonably satisfactory to the Trustee), *provided* that in giving an opinion of counsel, counsel may rely on an officers' certificate as to any matters of fact.

Any Indebtedness that becomes an obligation of the Issuer or any Restricted Subsidiary (or that is deemed to be Incurred by any Person that becomes a Restricted Subsidiary) as a result of any such consolidation or merger or sale, assignment, transfer, lease, conveyance, or other disposition, in each case, undertaken in compliance with this covenant, and any Permitted Refinancing Indebtedness with respect thereto, shall be deemed to have been Incurred in compliance with the covenant described under "*—Incurrence of Indebtedness and Issuance of Preferred Stock*," *provided* that such Indebtedness was originally Incurred in compliance with the Notes Indenture.

For purposes of this covenant, the sale, lease, conveyance, assignment, transfer or other disposition of all or substantially all of the properties and assets of one or more Subsidiaries of the Issuer, which properties and assets, if owned by the Issuer instead of such Subsidiaries, would constitute all or substantially all of the properties and assets of the Issuer on a consolidated basis, shall be deemed to be the transfer of all or substantially all of the properties and assets of the Issuer, as applicable.

The successor Issuer will succeed to, and be substituted for, and may exercise every right and power of, the Issuer under the Indenture but in the case of a lease of all or substantially all its assets, the predecessor company will not be released from its obligations under the Indenture or the Notes.

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 circumstance there may be a degree of uncertainty as to whether a particular transaction would involve "all or substantially all" of the property or assets of a Person.

This "Merger, Consolidation or Sale of Assets" covenant will not apply to:

(1) a merger of the Issuer with an Affiliate solely for the purpose of reincorporating the Issuer in another jurisdiction or changing the legal form of the Issuer; or

(2) any consolidation or merger, or any sale, assignment, transfer, conveyance, lease or other disposition of assets between or among the Issuer and its Restricted Subsidiaries.

The Guarantors

A Guarantor may not sell or otherwise dispose of all or substantially all of its properties or assets to, or consolidate with or merge with or into (whether or not such Guarantor is the surviving Person), another Person, other than the Issuer or another Guarantor, unless:

(1) immediately after giving effect to that transaction or series of related transactions, no Default or Event of Default exists; and

(2) (i) either (x) such Guarantor is the surviving entity or (y) the Person formed by or surviving any such consolidation or merger or the Person to which such sale, assignment, transfer, conveyance or other disposition has been made is either the Issuer or a Restricted Subsidiary of the Issuer that assumes all the obligations of such Guarantor under the Indenture by supplemental indenture executed and delivered to the Trustee and under the then-existing Intercreditor Agreement, any Additional Intercreditor Agreement and the Security Documents, as applicable, by customary agreements; 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 Issuer or a Restricted Subsidiary) otherwise permitted by and conducted in compliance with the provisions of the covenant described above under the caption "—Repurchase at the Option of Holders—Asset Sales," provided that the Note Guarantee will be permitted to be released pursuant to clause (2) of the fifth paragraph of the covenant described under the caption "—Additional Note Guarantees" in connection with such a transaction; and

(3) the Issuer shall have delivered to the Trustee an officer's certificate and an opinion of counsel, each stating that such merger or consolidation and such supplemental indenture and each such amendment comply with this covenant.

The paragraph above will not apply to:

(1) a merger of the Guarantor with an Affiliate solely for the purpose of reincorporating the Guarantor in another jurisdiction; or

(2) the merger, consolidation with, liquidation into or transfer of all or substantially all of the properties and assets of any Guarantor to the Issuer or another Guarantor.

Transactions with Affiliates

The Issuer will not, and will not permit any of its Restricted Subsidiaries to, make any payment to, or sell, lease, transfer or otherwise dispose of any of its properties or assets to, or purchase any property or assets from, or enter into or make or amend, in any material respect, any transaction, contract, agreement, understanding, loan, advance or guarantee with, or for the benefit of, any Affiliate of the Issuer (each, an "Affiliate Transaction"), involving aggregate consideration in any single Affiliate Transaction or series of related Affiliate Transactions in excess of €20.0 million unless:

(1) the Affiliate Transaction is on terms that are not materially less favorable to the Issuer or the relevant Restricted Subsidiary than those that would have been obtained in a comparable transaction on an arm's-length basis by the Issuer or such Restricted Subsidiary with an unrelated Person; and

(2) with respect to any Affiliate Transaction or series of related Affiliate Transactions involving aggregate consideration in excess of €40.0 million, the Issuer delivers to the Trustee a resolution of the majority of the Disinterested Members (or, if there is only one Disinterested Member, such Disinterested Member) set forth in an officers' certificate certifying that such Affiliate Transaction complies with this covenant.

The following items will not be deemed to be Affiliate Transactions and, therefore, will not be subject to the provisions of the prior paragraph:

(1) any employment agreement, collective bargaining agreement, employee benefit plan, officer or director indemnification agreement, including any stock option, stock appreciation rights, stock incentive or similar plans, or any similar arrangement entered into by the Issuer or any of its Restricted Subsidiaries in the ordinary course of business or consistent with past practice and payments or other transactions pursuant thereto;

(2) transactions (including a merger) between or among the Issuer and/or any of its Restricted Subsidiaries;

(3) transactions with a Person (other than an Unrestricted Subsidiary of the Issuer) that is an Affiliate of the Issuer solely because the Issuer owns, directly or through a Restricted Subsidiary, an Equity Interest in, or controls, such Person;

(4) payment of reasonable fees to and reimbursements of expenses and indemnity provided on behalf of officers, directors, employees or consultants;

(5) any transaction between or among the Issuer and/or its Restricted Subsidiaries and any joint venture (a) pursuant to the terms of the respective joint venture agreement, (b) in the ordinary course of business or (c) which are fair to the Issuer or the relevant Restricted Subsidiary in the reasonable determination of the Board of Directors of the Issuer or the senior management of the Issuer or the Restricted Subsidiary, as applicable, or are on terms no less favorable (taking into account the costs and benefits of associated with such transactions) than those that could reasonably have been obtained at such time from an unaffiliated Person;

(6) any issuance or sale of Equity Interests (other than Disqualified Stock) of the Issuer to Affiliates of the Issuer or to any director, officer, employee or consultant of the Issuer or receipt of cash capital contributions from Affiliates of the Issuer in exchange for Equity Interests of the Issuer (other than Disqualified Stock) and the Incurrence of Subordinated Shareholder Debt;

(7) Restricted Payments that do not violate the provisions of the Indenture described above under the caption "—Restricted Payments" and Permitted Investments (other than Permitted Investments described in clauses (3), (13), (15) or (16) of the definition thereof);

(8) transactions with customers, clients, lenders, suppliers or purchasers or sellers or other providers of goods or services or providers of employees or other labor, or lessors or lessees of property, in each case in the ordinary course of business and otherwise in compliance with the terms of the Indenture that are fair to the 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 by a responsible accounting or financial officer of the Issuer or the senior management thereof;

(9) Management Advances;

(10) (a) pledges of Equity Interests or Indebtedness of Unrestricted Subsidiaries and joint ventures for the benefit of lenders thereto; (b) guarantees of performance by the Issuer and its Restricted Subsidiaries of the Issuer's Unrestricted Subsidiaries in the ordinary course of business (as determined in good faith by a responsible accounting officer of the Issuer), except for guarantees of Indebtedness in respect of borrowed money, and (c) to the extent constituting Affiliate Transactions, transactions with charities and charitable foundations or with or that form part of community or social or environmental projects or initiatives;

(11) if such Affiliate Transaction, following an Initial Public Offering, is with a Person in its capacity as a holder of Capital Stock of the Issuer or any Restricted Subsidiary where such Person is treated no more favorably than the holders of Capital Stock of the Issuer or any Restricted Subsidiary;

(12) transactions effected pursuant to or contemplated by agreements or arrangements in effect or entered into on the date of the Indenture and any amendments, modifications or replacements of such agreements or arrangements (so long as such amendments, modifications or replacements are not materially more disadvantageous to the Holders of the Notes, taken as a whole, than the original agreements or arrangements as in effect on or entered into on the date of the Indenture) (as determined in good faith by a responsible accounting or financial officer of the Issuer);

(13) transactions effected pursuant to or contemplated by agreements or arrangements between any Person and an Affiliate of such Person existing at the time such Person is acquired by, merged into or amalgamated, arranged or consolidated with the Issuer or any of its Restricted Subsidiaries; provided that such agreements or arrangements were not entered into in contemplation of such acquisition, merger, amalgamation, arrangement or consolidation, and any amendments, modifications or replacements of such agreements or arrangements (so long as such amendments, modifications or replacements are not materially more disadvantageous

to the Holders of the Notes, taken as a whole, than the original agreements or arrangements as in effect on the date of such acquisition, merger, amalgamation, arrangement or consolidation) (as determined in good faith by a responsible accounting or financial officer of the Issuer);

(14) Hedging Obligations entered into from time to time for bona fide hedging purposes of the Issuer and the Restricted Subsidiaries and the unwinding of any Hedging Obligations;

(15) execution, delivery and performance of any consolidated group arrangements for tax or accounting purposes, provided that any payments to be made pursuant to such arrangements are made in compliance with the covenant as set forth in "—Restricted Payments;"

(16) transactions in which the Issuer or any Restricted Subsidiary, as the case may be, delivers to the Trustee a written opinion of an accounting, appraisal or investment banking firm of international standing, or other recognized independent expert of international standing with experience appraising the terms and conditions of the type of transaction or series of related transactions for which an opinion is required, stating that such transaction or series of related transactions (i) is fair to the Issuer or such Restricted Subsidiary, as applicable, from a financial point of view taking into account all relevant circumstances or (ii) meets the requirements of clause (1) of the preceding paragraph; and

(17) any transaction effected as part of a Qualified Securitization Financing or any disposition or repurchase of Securitization Assets or related assets in connection with any Qualified Securitization Financing.

Impairment of Security Interest

The Issuer will not, and will not cause or permit any of its Restricted Subsidiaries to take or knowingly or negligently omit to take, any action which action or omission would have the result of materially impairing any 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 shall under no circumstances be deemed to materially impair Security Interests with respect to the Collateral) for the benefit of the Security Agent on behalf of the Trustee and the Holders of Notes and the Issuer will not, and will not cause or permit any of its Restricted Subsidiaries to, grant to any Person other than the Security Agent on behalf of the Trustee and the Holders of Notes and the other beneficiaries described in the Security Documents, the then-existing Intercreditor Agreement and any Additional Intercreditor Agreement any interest whatsoever in any of the Collateral; *provided* that:

(i) nothing in this provision shall restrict the discharge or release of the Collateral in accordance with the Indenture, the Security Documents, the then-existing Intercreditor Agreement and any Additional Intercreditor Agreement, and

(ii) the Issuer and its Restricted Subsidiaries may Incur Permitted Collateral Liens,

provided further, that no Security Document may be amended, extended, renewed, restated, supplemented or otherwise modified, replaced or released (followed by an immediate retaking of a Lien of at least equivalent ranking over the same assets) unless contemporaneously with such amendment, extension, replacement, restatement, supplement, modification, renewal or release (followed by an immediate retaking of a Lien of at least equivalent ranking over the assets), the Issuer delivers to the Trustee and the Security Agent one of the following:

(1) a solvency opinion from an internationally recognized investment bank or accounting firm confirming the solvency of the Issuer and its Subsidiaries, taken as a whole, after giving effect to any transactions related to such amendment, extension, restatement, renewal, supplement, modification, replacement or release and retaking;

(2) a certificate from the board of directors of the relevant Person (acting in good faith) that confirms the solvency of the Person granting such Lien after giving effect to any transactions related to such amendment, extension, renewal, restatement, replacement, supplement, modification or release and retaking; or

(3) an opinion of counsel (subject to customary exceptions and qualifications), confirming that, after giving effect to any transactions related to such amendment, extension, renewal, restatement,

supplement, modification, replacement or release and retaking, the Lien or Liens securing the 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 or at law, and 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 Issuer and without the consent of the Holders of Notes (subject to compliance with the first paragraph of this covenant), the Security Agent may from time to time enter into one or more amendments, extensions, renewals, restatements, supplements, modification, replacement or release and retaking in connection with the Security Documents or enter into additional or supplemental Security Documents to: (i) cure any ambiguity, omission, defect, manifest error or inconsistency therein, (ii) provide for Permitted Collateral Liens, (iii) add to the Collateral, (iv) comply with the terms of the then-existing Intercreditor Agreement or any Additional Intercreditor Agreement, (v) evidence the succession of another Person to the Issuer or any Guarantor and the assumption by such successor of the obligations under the Notes Indenture, the Notes, the then-existing Intercreditor Agreement, any Additional Intercreditor Agreement and the Security Documents, in each case, including in accordance with "*—Merger, Consolidation or Sale of Assets*", (vi) evidence or provide for the appointment of a successor Trustee or Security Agent or (vii) make any other change thereto that does not adversely affect the rights of the Holders of Notes in any material respect. In the event that the Issuer complies with this covenant, the Trustee and/or the Security Agent, as applicable, shall (subject to customary protections and indemnifications) take all action necessary to effect such amendment, extension, renewal, restatement, supplement, modification, replacement or release with no need for instructions from the Holders; *provided* that such amendment, extension, renewal, restatement, supplement, modification, replacement or release will not impose any personal obligations on the Trustee or the Security Agent or adversely affect the rights, duties, liabilities or immunities of the Trustee or the Security Agent.

Further Assurances

The Issuer will, and will procure that each of its Subsidiaries will, at its own expense, execute and do all such acts and things and provide such assurances as the Security Agent may reasonably require (i) for registering any Security Documents in any required register and for perfecting or protecting any Security Interests intended to be afforded or created by such Security Documents; and (ii) if such Security Documents have become enforceable, for facilitating the realization of all or any part of the assets which are subject to such Security Documents 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 those assets. The Issuer will, and will procure that each of its Subsidiaries will, execute all transfers, conveyances, assignments and releases of that property whether to the Security Agent or to its nominees and give all notices, orders and directions which the Security Agent may reasonably request.

Designation of Restricted and Unrestricted Subsidiaries

The Board of Directors of the Issuer may designate any Restricted Subsidiary to be an Unrestricted Subsidiary if that designation would not cause a Default. If a Restricted Subsidiary is designated as an Unrestricted Subsidiary, the aggregate Fair Market Value of all outstanding Investments owned by the Issuer and its 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 "*—Restricted Payments*" or under one or more clauses of the definition of Permitted Investments, as determined by the Issuer. That designation will only be permitted if the Investment would be permitted at that time and if the Restricted Subsidiary otherwise meets the definition of an Unrestricted Subsidiary. The Board of Directors of the Issuer may redesignate any Unrestricted Subsidiary to be a Restricted Subsidiary if that redesignation would not cause a Default.

Any designation of a Restricted Subsidiary of the Issuer as an Unrestricted Subsidiary will be evidenced to the Trustee by filing with the Trustee a certified copy of a resolution of the Board of Directors of the Issuer 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 "*—Restricted Payments*." If, at any time, any Unrestricted Subsidiary would fail to meet the preceding requirements as an Unrestricted Subsidiary, it will thereafter cease to be an Unrestricted Subsidiary for purposes of the Indenture and any Indebtedness of such Subsidiary will be deemed to be Incurred by a Restricted Subsidiary of the Issuer as of such date and, if such Indebtedness is not permitted to be Incurred as of such date under the covenant described under the caption "*—Incurrence of Indebtedness and Issuance of Preferred Stock*," the Issuer will be in default of such covenant. The Board of Directors of the Issuer may at any time designate any Unrestricted Subsidiary to be a Restricted Subsidiary of the Issuer; *provided* that such designation will be deemed to be an Incurrence of Indebtedness by a Restricted Subsidiary of the Issuer of any outstanding Indebtedness of such Unrestricted Subsidiary, and such designation will only be permitted if (1) such Indebtedness is permitted under the covenant described under the caption "—*Incurrence of Indebtedness and Issuance of Preferred Stock*," calculated on a *pro forma* basis taking into account such designation 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.

Listing of the Notes

The Issuer will use its commercially reasonable efforts to list and maintain the listing of the Notes on the Luxembourg Stock Exchange and to admit the Notes to trading on the Euro MTF market of the Luxembourg Stock Exchange *provided*, *however*, that if the Issuer is unable to list the Notes on the Luxembourg Stock Exchange or if maintenance of such listing becomes unduly onerous, it will use its commercially reasonable efforts to maintain a listing of such Notes on another "recognized stock exchange" as defined in Section 1005 of the Income Tax Act 2007 of the United Kingdom.

Reports

So long as any Notes are outstanding, the Issuer will furnish to the Trustee and make available to the Holders of Notes and potential investors:

(1) commencing with the fiscal year ending December 31, 2021, within 120 days after each fiscal year of the Issuer: (a) an operating and financial review of the audited financial statements, including a discussion of the results of operations, financial condition and liquidity and capital sources and a discussion of material commitments and contingencies and critical accounting policies, (b) a description of the business, management and shareholders of the Issuer, all material affiliate transactions, indebtedness and material financing arrangements, (c) material risk factors and material recent developments; (d) *pro forma* income statement and balance sheet information of the Issuer, together with explanatory footnotes for any acquisition or disposition that individually represents 20% or more of the consolidated revenues, earnings before interest, taxation, depreciation and amortization, or assets of the Issuer on a pro forma basis in each case unless such pro forma financial information has been provided in a previous report pursuant to clause (2) or (3) below or is available only at unreasonable expense; and (e) audited consolidated statements of income and statements of cash flow of the Issuer (or any predecessor company of the Issuer) as of and for the most recent three fiscal years and balance sheets as of the two most recent fiscal years, including appropriate footnotes to such financial statements, for and as of the end of such fiscal year, and the report of the independent auditors on such financial statements;

(2) commencing with the fiscal quarter ending March 31, 2022, within 60 days following the end of the first and third fiscal quarters in each fiscal year of the Issuer and within 75 days following the end of the second fiscal quarter in each fiscal year of the Issuer, information including: (a) 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 periods, together with condensed footnote disclosure; (b) *pro forma* income statement and balance sheet information of the Issuer, together with explanatory footnotes for any acquisition or disposition that individually represents 20% or more of the consolidated revenues, earnings before interest, taxation, depreciation and amortization, or assets of the Issuer on a *pro forma* basis in each case unless such *pro forma* financial information has been provided in a previous report pursuant to clause (1) or (3) of this covenant or is available only at unreasonable expense; (c) an operating and financial review of the unaudited financial statements, including a discussion of material commitments and contingencies; (d) material recent developments and (e) a presentation of EBITDA; and

(3) promptly after the occurrence of a material acquisition, disposition, restructuring, senior management changes, change in auditors, the entering into of an agreement that will result in a Change of Control or any other material event that the Issuer or any Restricted Subsidiary announces publicly, in each case, a report containing a description of such event.

If the Issuer has designated any of its Subsidiaries as Unrestricted Subsidiaries, then the quarterly and annual financial information required by the preceding paragraphs will include a reasonably detailed presentation, either on the face of the financial statements or in the footnotes thereto, and in the discussion of the financial condition and results of operations of the Issuer and its Restricted Subsidiaries separate from the financial condition and results of operations of the Unrestricted Subsidiaries of the Issuer.

The Issuer may comply with any requirement to provide reports or financial statements of the Issuer under this covenant by providing any financial statements or reports of any Parent thereof, in which case references to the Issuer in clauses (1), (2) and (3) of the first paragraph hereof will be deemed to be references to such Parent; *provided* that to the extent comparable prior period consolidated or condensed financial information of such Parent does not exist, the comparable prior period combined financial information of the Issuer or another Parent may be provided in lieu thereof. To the extent that material differences exist between the financial condition or results of operations of the Issuer and its Restricted Subsidiaries and any Parent that is the reporting entity (if applicable), the annual and quarterly reports shall include a reasonably detailed explanation of such material differences.

In the event that, and for so long as, the equity securities of the Issuer or any Parent are listed on the main market of Euronext Paris (or any other nationally recognized regulated stock exchange or listing authority in a member state of the European Union as of the Issue Date or the United Kingdom) and the Issuer or such Parent is subject to the Admission and Disclosure Standards applicable to issuers of equity securities admitted to trading on the main market of Euronext Paris (or the equivalent standards applicable to issuers of equity securities admitted to trading on one or more of the equivalent nationally recognized regulated stock exchanges or listing authorities in member states of the European Union as of the Issue Date or the United Kingdom), for so long as it elects, the Issuer will be entitled to deliver to the Trustee such annual and semi-annual reports, information, documents and other reports that the Issuer or such Parent is, or would be, required to file with Euronext Paris pursuant to such Admission and Disclosure Standards (or the applicable standards of one or more of the equivalent nationally recognized regulated stock exchanges or listing authorities in member states of the European Union as of the Issue Date or the United Kingdom). Upon complying with the foregoing requirements, and provided that such requirements require the Issuer or any Parent to prepare and file annual and semi-annual reports, information, documents and other reports with the regulated market of Euronext Paris, or one or more of the equivalent nationally recognized regulated stock exchanges or listing authorities in member states of the European Union as of the Issue Date or the United Kingdom, as applicable, and provided that the Issuer or such Parent additionally provides the reports set forth in clause (2) above with respect to its first and third fiscal quarters, the Issuer will be deemed to have complied with the provisions contained in the preceding paragraphs.

The Issuer will also make available copies of all reports required by clauses (1) through (3) above on the Issuer's website and at the offices of the listing agent in Luxembourg.

In addition, so long as any Notes are "restricted securities" (as defined in Rule 144 under the U.S. Securities Act) during any period during which the Issuer is not subject to Section 13 or 15(d) of the U.S. Exchange Act nor exempt therefrom pursuant to Rule 12g3-2(b), the Issuer has agreed that it will, upon their request, furnish to the Holders and to securities analysts and prospective purchasers of the Notes, the information required to be delivered pursuant to Rule 144A(d)(4) under the U.S. Securities Act.

Furthermore, within 20 Business Days subsequent to the date of the publication of the reports described in (1) and (2) above, the Issuer shall hold a conference call for current and prospective Holders of the Notes in which at least one member of the senior management of the Issuer shall participate. Notice of such conference calls shall be deemed a report required by clause (3) above and will state the date, time and dial-in number and shall be published at least one Business Day in advance of such conference call.

All reports made pursuant to this covenant shall be made in, or translated to, the English language.

Events of Default and Remedies

Each of the following is an "Event of Default":

(1) default for 30 days in the payment when due of interest on, or Additional Amounts, if any, with respect to, the Notes;

(2) default in the payment when due (at maturity, upon redemption or otherwise) of the principal of, or premium, if any, on, the Notes;

(3) failure by the Issuer or any of its Restricted Subsidiaries to comply with the provisions described under the caption "—Certain Covenants—Merger, Consolidation or Sale of Assets;"

(4) failure by the Issuer or any of its Restricted Subsidiaries for 60 days after written notice to the Issuer by the Trustee or Holders of at least 30 % in aggregate principal amount of the Notes then outstanding voting as a single class to comply with any of the other agreements in the Indenture (other than a default in performance, or breach, or a covenant or agreement which is specifically dealt with in clauses (1), (2) or (3));

(5) default under any mortgage, indenture or instrument under which there may be issued or by which there may be secured or evidenced any Indebtedness for money borrowed by the Issuer or any of its Restricted Subsidiaries (or the payment of which is guaranteed by the Issuer or any of its Restricted Subsidiaries), whether such Indebtedness or Guarantee now exists, or is created after the date of such default (but excluding Indebtedness owed to the Issuer or a Restricted Subsidiary), if that default:

    (i) is caused by a failure to pay principal of, or interest or premium, if any, on, such Indebtedness prior to the expiration of the grace period provided in such Indebtedness on the date of such Indebtedness (a "*Payment Default*"); or

    (ii) results in the acceleration of such Indebtedness prior to its Stated Maturity,

    and, in each case, either (i) the principal amount of any such Indebtedness that is due and has not been paid or which has been accelerated, together with the principal amount of any other such Indebtedness under which there has been a Payment Default or the maturity of which has been so accelerated, aggregates €35.0 million or more or (ii) until the Super Senior Conversion Date, to the extent such Indebtedness is Incurred pursuant to clause (1) of the second paragraph of the covenant captioned "*—Incurrence of Indebtedness and Issuance of Preferred Stock*" and is designated as a Senior Lender Liability under the Original Intercreditor Agreement or assigned a substantially equivalent designation under any Additional Intercreditor Agreement, the requisite majority of holders of such Indebtedness has instructed the Security Agent to commence enforcement of their separate security;

(6) failure by the Issuer or any of its Restricted Subsidiaries to pay final and non-appealable judgments entered by a court or courts of competent jurisdiction aggregating in excess of €35.0 million (net of any amounts which are covered by insurance or bonded), which judgments are not paid, waived, satisfied, discharged or stayed for a period of 60 days;

(7) certain events of bankruptcy or insolvency described in the Indenture with respect to the Issuer or any of its Restricted Subsidiaries that is a Significant Subsidiary or any group of Restricted Subsidiaries that, taken together, would constitute a Significant Subsidiary;

(8) any Note Guarantee, if any, is held in any judicial proceeding to be unenforceable or invalid or ceases for any reason to be, or shall for any reason be asserted in writing by any Guarantor or the Issuer not to be, in full force and effect and enforceable in accordance with its terms, except to the extent contemplated by the Indenture and any such Note Guarantee; or

(9) (i) any security interest created by any Security Document shall, at any time, cease to be in full force and effect (except as permitted by the terms of the Indenture, the Intercreditor Agreements, any Additional Intercreditor Agreement or the Security Documents) with respect to Collateral having a Fair Market Value in excess of €15.0 million for any reason other than the satisfaction in full of all obligations under the Indenture or the release of any such security interest in accordance with the terms of the Indenture, the Intercreditor Agreements, any Additional Intercreditor Agreement or the Security Documents, or an assertion by the Issuer or any of its Restricted Subsidiaries that any Collateral having a Fair Market Value in excess of €5.0 million is not subject to a valid, perfected security interest (except as permitted by the terms of the Indenture or Security Documents); (ii) the repudiation by the Issuer or any of its Restricted Subsidiaries of any of its material obligations under any Security Document.

In the case of an Event of Default arising from certain events of bankruptcy or insolvency, with respect to the Issuer, any Restricted Subsidiary of the Issuer that is a Significant Subsidiary or any group of Restricted Subsidiaries of the Issuer that, taken together, would constitute a Significant Subsidiary, all outstanding Notes will become due and payable immediately without further action or notice. If any other Event of Default occurs and is continuing, the Trustee or the Holders of at least 30% in aggregate principal amount of the then outstanding Notes may declare all the Notes to be due and payable immediately by notice in writing to the Issuer and, in case of a notice by Holders, also to the Trustee. In the event of a declaration of acceleration of the Notes because an Event of Default described in clause (5) of this paragraph has occurred and is continuing, the declaration of acceleration of the Notes shall be automatically annulled if the event of default or payment default triggering such Event of Default pursuant to clause (5) shall be remedied or cured, or waived by the holders of the Indebtedness, or the Indebtedness that gave rise to such Event of Default shall have been discharged in full, within 30 days after the declaration of acceleration with respect thereto and if (1) the annulment of the acceleration of the Notes would not conflict with any judgment or decree of a court of competent jurisdiction and (2) all existing Events of Default, except nonpayment of principal, premium or interest on the Notes that became due solely because of the acceleration of the Notes, have been cured or waived.

Subject to certain limitations, Holders of a majority in aggregate principal amount of the then outstanding Notes may direct the Trustee in its exercise of any trust or power. The Trustee may refuse to follow any direction that conflicts with law or the Indenture or the Notes, or that may involve the Trustee in personal liability or that the Trustee determines is unduly prejudicial to the rights of other Holders (it being understood that the Trustee does not have an affirmative duty to ascertain whether or not any actions are unduly prejudicial to such Holders). Furthermore, the Trustee may withhold from Holders of the Notes notice of any continuing Default or Event of Default if it determines that withholding notice is in their interest, except a Default or Event of Default relating to the payment of principal, interest or premium or Additional Amounts, if any.

Subject to the provisions of the Indenture relating to the duties of the Trustee, 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 Indenture at the request or direction of any Holders of Notes unless such Holders have offered and, if requested, provided to the Trustee indemnity and/or security, including by way of pre-funding, satisfactory to it, against any loss, liability or expense (including the costs of the Trustee's legal counsel). Except to enforce the right to receive payment of principal, premium, if any, or interest or Additional Amounts, if any, when due, no Holder of a Notes may pursue any remedy with respect to the Indenture or the Notes unless:

(1) such Holder has previously given the Trustee written notice that an Event of Default is continuing;

(2) Holders of at least 30% in aggregate principal amount of the then outstanding Notes have requested the Trustee in writing to pursue the remedy;

(3) such Holders have offered and, if requested, provided the Trustee security, and/or indemnity, including by way of pre-funding, satisfactory to it, against any loss, liability or expense (including the costs of the Trustee's legal counsel);

(4) the Trustee has not complied with such request within 60 days after the receipt of the request and the offer of such security or indemnity; and

(5) Holders of a majority in aggregate principal amount of the then outstanding Notes have not given the Trustee a direction inconsistent with such request within such 60-day period.

The Holders of a majority in aggregate principal amount of the then outstanding Notes by written notice to the Trustee may, on behalf of the Holders of all of the Notes, rescind an acceleration or waive any past or existing Default or Event of Default and its consequences under the Indenture, except a continuing Default or Event of Default in the payment of interest or premium or Additional Amounts, if any, on, or the principal of, the Notes (including in connection with an offer to purchase) and rescind any such acceleration with respect to such Notes and its consequences if rescission would not conflict with any judgment or decree of a court of competent jurisdiction. Upon any such rescission or waiver, such Default shall cease to exist, and any Event of Default arising therefrom shall be deemed to have been cured for every purpose of the Indenture; but no such waiver shall extend to any subsequent or other Default or impair any right consequent thereon.

The Issuer is required to deliver to the Trustee annually a statement regarding compliance with the Indenture. Within 20 business days after becoming aware of any Default or Event of Default, the Issuer is required to deliver to the Trustee a statement specifying such Default or Event of Default.

No Personal Liability of Directors, Officers, Employees and Shareholders

No director, officer, employee, incorporator or shareholder of the Issuer or any Guarantor, or any of their respective Subsidiaries or Affiliates, as such, will have any liability for any obligations of the Issuer under the Notes, the Indenture, any Note Guarantee, the Security Documents, the Intercreditor Agreements, any Additional Intercreditor Agreement or for any claim based on, in respect of, or by reason of, such obligations or their creation. Each Holder of Notes by accepting a note waives and releases all such liability. The waiver and release are part of the consideration for issuance of the Notes. The waiver may not be effective to waive liabilities under the federal securities laws of the United States.

Legal Defeasance and Covenant Defeasance

The Issuer may at any time, at the option of its Board of Directors evidenced by a resolution set forth in an officers' certificate, elect to have all of its and each Guarantor's obligations discharged with respect to the outstanding Notes and the Indenture ("Legal Defeasance") and cure all then existing Defaults and Events of Default except for:

(1) the rights of Holders of outstanding Notes to receive payments in respect of the principal of, or interest or premium and Additional Amounts, if any, on, such Notes when such payments are due from the trust referred to below;

(2) the Issuer's obligations with respect to the Notes concerning issuing temporary Notes, registration of Notes, mutilated, destroyed, lost or stolen Notes and the maintenance of an office or agency for payment and money for security payments held in trust;

(3) the rights, powers, trusts, duties, indemnifications, fees and immunities of the Trustee, and the Issuer's obligations in connection therewith; and

(4) the Legal Defeasance and Covenant Defeasance provisions of the Indenture.

Subject to the foregoing, if the Issuer exercises its legal defeasance option, the Security Documents in effect at such time will terminate.

In addition, the Issuer may, at its option and at any time, elect to have the obligations of the Issuer and each Guarantor released with respect to certain covenants (including its obligation to make Change of Control Offers and Asset Sale Offers and the cross-acceleration provision and judgment default provisions described under "—*Events of Default and Remedies*") that are described in the Indenture ("Covenant Defeasance") and thereafter any omission to comply with those covenants will not constitute a Default or Event of Default with respect to the Notes. In the event Covenant Defeasance occurs, certain events (not including non-payment, bankruptcy, receivership, rehabilitation and insolvency events) described under "—*Events of Default and Remedies*" will no longer constitute an Event of Default with respect to the Notes.

In order to exercise either Legal Defeasance or Covenant Defeasance:

(1) the Issuer must irrevocably deposit with the Trustee (or such other entity, directed, designated or appointed by the Issuer and reasonably acceptable to the Trustee, acting for the Trustee for this purpose), for the benefit of the Holders of the Notes, cash in euro and euro-denominated, non-callable government securities, or a combination of cash in euro and non-callable government securities, in amounts as will be sufficient, in the opinion of a nationally recognized investment bank, appraisal firm or firm of independent public accountants, to pay the principal of, or interest and premium and Additional Amounts, if any, on, the outstanding Notes on the stated date for payment thereof or on the applicable redemption date, as the case may be, and the Issuer must specify whether the Notes are being defeased to such stated date for payment or to a particular redemption date;

(2) in the case of Legal Defeasance, the Issuer must deliver to the Trustee an opinion of U.S. counsel reasonably acceptable to the Trustee (subject to customary exceptions and exclusions) confirming that (a) the Issuer has received from, or there has been published by, the U.S. Internal Revenue Service a ruling or (b) since the date of the Indenture, there has been a change in the applicable U.S. federal income tax law, in either case to the effect that, and based thereon such opinion of counsel will confirm that, the Holders of the outstanding 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;

(3) in the case of Covenant Defeasance, the Issuer must deliver to the Trustee an opinion of U.S. counsel reasonably acceptable to the Trustee (subject to customary exceptions and exclusions) confirming that the Holders of the outstanding 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;

(4) no Default or Event of Default has occurred and is continuing on the date of such deposit (other than a Default or Event of Default resulting from the borrowing of funds to be applied to such deposit) and the deposit will not result in a breach or violation of, or constitute a default under, any other instrument to which the Issuer is a party or by which the Issuer is bound;

(5) such Legal Defeasance or Covenant Defeasance will not result in a breach or violation of, or constitute a default under, any material agreement or instrument (other than the Indenture and the agreements governing any other Indebtedness being defeased, discharged or replaced) to which the Issuer or any of its Subsidiaries is a party or by which the Issuer or any of its Subsidiaries is bound;

(6) the Issuer must deliver to the Trustee an officers' certificate stating that the deposit was not made by the Issuer with the intent of preferring the Holders of Notes over the other creditors of the Issuer with the intent of defeating, hindering, delaying or defrauding any creditors of the Issuer or others; and

(7) the Issuer must deliver to the Trustee an officers' certificate and an opinion of counsel, each stating that all conditions precedent relating to the Legal Defeasance or the Covenant Defeasance have been complied with.

Amendment, Supplement and Waiver

Except as provided in the next two succeeding paragraphs and without limiting the Issuer's ability to effect modifications or amendments that are expressly permitted under "*—Certain Covenants—Impairment of Security Interest*" or "*—Additional Intercreditor Agreements*," the Indenture, the Notes, the Intercreditor Agreements, any Additional Intercreditor Agreement 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 Notes then outstanding (including, without limitation, consents obtained in connection with a purchase of, or tender offer or exchange offer for, Notes), and, subject to certain exemptions, any existing Default or Event of Default or compliance with any provision of the Indenture, the Notes, the Intercreditor Agreements, any Additional Intercreditor Agreement or the Security Documents may be waived with the consent of the Holders of a majority in aggregate principal amount of the then outstanding Notes (including, without limitation, consents obtained in connection with a purchase of, or tender offer or exchange offer for, Notes).

Without the consent of Holders holding at least 90% (or, in the case of clause (8) below, 75%) of the then outstanding principal amount of Notes affected thereby, an amendment, supplement or waiver may not (with respect to any Notes held by a non-consenting Holder):

(1) reduce the principal amount of Notes whose Holders must consent to an amendment, supplement or waiver;

(2) reduce the principal of or extend the fixed maturity of any Note or reduce the premium payable upon the redemption of any Note or change the time at which any such Note may be redeemed (in each case as described above under the caption "—Repurchase at the Option of Holders");

(3) reduce the rate of or extend the time for payment of interest, including default interest, on any Note;

(4) waive a Default or Event of Default in the payment of principal of, or interest or premium, or Additional Amounts, if any, on, the Notes (except a rescission of acceleration of the Notes by

the Holders of at least a majority in aggregate principal amount of the then outstanding Notes and a waiver of the payment default that resulted from such acceleration);

(5) make any Note payable in money other than that stated in the Notes;

(6) make any change in the provisions of the Indenture relating to waivers of past Defaults or Events of Default;

(7) waive a redemption payment with respect to any note (other than a payment required by the provisions described above under the caption "—Repurchase at the Option of Holders" and "—Repurchase at the Option of Holders—Asset Sales");

(8) release Collateral from any Lien created in favor of the Security Agent pursuant to the Security Documents except as otherwise permitted by the terms of the Indenture, the Security Documents, the Intercreditor Agreements or any Additional Intercreditor Agreement;

(9) release any Guarantor from its Note Guarantee created pursuant to the Indenture or any supplemental indenture thereto except as otherwise permitted by the terms of the Indenture, the Intercreditor Agreements or any Additional Intercreditor Agreement; or

(10) make any change in the preceding amendment and waiver provisions.

Notwithstanding the preceding, without the consent of any Holder of Notes, the Issuer and the Trustee may amend or supplement the Indenture, the Notes, the Intercreditor Agreements, any Additional Intercreditor Agreement or the Security Documents:

(1) to cure any ambiguity, mistake, omission, defect, manifest error or inconsistency;

(2) to provide for uncertificated Notes in addition to or in place of certificated Notes (provided, that any such uncertificated Notes are issued in registered form for purposes of Section 163(f) of the Code);

(3) to provide for the assumption of by successor Person of the obligations of the Issuer or any Guarantor under the Indenture, the Notes, the Note Guarantees, the Security Documents, the Intercreditor Agreements and any Additional Intercreditor Agreement;

(4) to make any change that would provide any additional rights or benefits to the Holders of Notes or that does not adversely affect the legal rights under the Indenture of any such Holder in any material respect;

(5) to conform the text of the Indenture, the Notes, the Note Guarantees, the Security Documents, the Intercreditor Agreements or any Additional Intercreditor Agreement to any provision of this "*Description of the Notes*" or under the headings "*Description of Certain Financing Arrangements—Intercreditor Agreement*" and "*Description of Certain Financing Arrangements—Super Senior Intercreditor Agreement*" of the Listing prospectus to the extent that such provision in this "*Description of the Notes*" or under the headings "*Description of Certain Financing Arrangements—Intercreditor Agreement*" and "*Description of Certain Financing Arrangements—Super Senior Intercreditor Agreement*" of the Listing prospectus was intended to be a verbatim recitation of a provision of the Indenture, the Notes, the Note Guarantees, the Security Documents, the Intercreditor Agreements or any Additional Intercreditor Agreement;

(6) to provide for any Restricted Subsidiary to provide a Note Guarantee in accordance with the covenant described under "—Certain Covenants—Incurrence of Indebtedness and Issuance of Preferred Stock" to add Note Guarantees, to add security to or for the benefit of the Notes, or to confirm and evidence the release, termination, discharge or retaking of any Note Guarantee or Lien (including the Collateral and the Security Documents) with respect to or securing the Notes when such release, termination, discharge or retaking is provided for under the Indenture, the Intercreditor Agreements, any Additional Intercreditor Agreement or the Security Documents;

(7) to provide for the issuance of additional notes in accordance with the limitations set forth in the Indenture as of the date of the Indenture;

(8) to allow any Guarantor to execute a supplemental Indenture and/or a Guarantee with respect to the Notes;

(9) to evidence and provide for the acceptance of the appointment under the Indenture, the Intercreditor Agreements, any Additional Intercreditor Agreement or the Security Documents of a successor Trustee or Security Agent or to provide for the accession by the Trustee or the Security Agent to any such document;

(10) to make any amendment to the provisions of the Indenture relating to the transfer and legending of Notes as permitted by the Indenture, including, without limitation, to facilitate the issuance and administration of the Notes; provided, however, that (i) compliance with the Indenture as so amended would not result in Notes being transferred in violation of the U.S. Securities Act or any applicable securities law and (ii) such amendment does not materially and adversely affect the legal rights under the Indenture of Holders to transfer Notes;

(11) to mortgage, pledge, hypothecate or grant a security interest in favor of the Security Agent for the benefit of the Holders of the Notes as security for the payment and performance of the Issuer's or any Guarantor's obligations under the Indenture, in any property, or assets, including any of which are required to be mortgaged, pledged or hypothecated, or in which a security interest is required to be granted to the Security Agent pursuant to the Indenture or otherwise (any such additional security shall be deemed to be Collateral for all purposes under the Indenture); or

(12) to comply with the rules of any applicable securities depositary.

The consent of the Holders of Notes is not necessary under the Indenture to approve the particular form of any proposed amendment, waiver or consent; it is sufficient if such consent approves the substance of the proposed amendment, waiver or consent.

The Trustee shall be entitled to rely on such evidence as it deems appropriate, including officers' certificates and opinions of counsel.

The Intercreditor Agreements may be amended pursuant to their terms, as described in this Description of Notes under the caption "*—Additional Intercreditor Agreements*" or in "*Description of Certain Indebtedness—Intercreditor Agreement*" or "*Description of Certain Financing Arrangements—Super Senior Intercreditor Agreement*" of the Listing prospectus.

Acts by Holders

In determining whether the Holders of the required principal amount of the Notes have concurred in any direction, waiver or consent, the Notes owned by the Issuer, or by any Person directly or indirectly controlling or controlled by or under direct or indirect common control with the Issuer will be disregarded and deemed not to be outstanding.

Satisfaction and Discharge

The Indenture, the Notes, the Note Guarantees and the Collateral and any related defaults will be discharged and cease to be of further effect (except as to surviving rights of conversion or transfer or exchange of the Notes, as expressly provided for in the Indenture) as to all outstanding Notes issued thereunder when:

(1) either:

(i) all Notes that have been authenticated and delivered, except lost, stolen or destroyed Notes that have been replaced or paid and Notes for whose payment money has been deposited and thereafter repaid to the Issuer, have been delivered to the Paying Agent for cancellation; or

(ii) all Notes that have not been delivered to the Paying Agent for cancellation have become due and payable by reason of the delivery of a notice of redemption or otherwise or will become due and payable within one year and the Issuer has irrevocably deposited or caused to be deposited with the Trustee (or such other entity directed, designated or appointed by the Issuer and reasonably acceptable to the

Trustee, acting for the Trustee for this purpose) for the benefit of the Holders, cash in euro, non-callable government securities, or a combination of cash in euro and non-callable government securities, in amounts as will be sufficient, without consideration of any reinvestment of interest, to pay and discharge the entire Indebtedness on the Notes not delivered to the Paying Agent for cancellation for principal, premium and Additional Amounts, if any, and accrued interest to, but excluding, the date of maturity or redemption, as the case may be;

(2) the Issuer has paid or caused to be paid all sums payable by it under the Indenture; and

(3) the Issuer has delivered irrevocable instructions to the Trustee and Paying Agent (or such other entity directed, designated or appointed by the Issuer and reasonably acceptable to the Trustee, acting for the Trustee for this purpose) under the Indenture to apply the deposited money toward the payment of the Notes at maturity or on the redemption date, as the case may be.

In addition, the Issuer must deliver an officers' certificate and an opinion of counsel in form and substance reasonably satisfactory to the Trustee stating that all conditions precedent to satisfaction and discharge have been satisfied; *provided* that any such counsel may rely on any officers' certificate as to matters of fact (including as to compliance with the foregoing clauses (1), (2) and (3)).

Judgment Currency

The sole currency of account and payment for all sums payable by the Issuer or any Guarantor under the Indenture is the euro. Any payment on account of an amount that is payable in euros (the "Required *Currency*") which is made to or for the account of any Holder or the Trustee in lawful currency of any other jurisdiction (the "*Judgment Currency*"), whether as a result of any judgment or order or the enforcement thereof or the liquidation of the Issuer, shall constitute a discharge of the Issuer's obligation under the Indenture or the Notes, as the case may be, only to the extent of the amount of the Required Currency which such Holder or the Trustee, as the case may be, could purchase in the London foreign exchange markets with the amount of the Judgment Currency in accordance with normal banking procedures at the rate of exchange prevailing on the first Business Day following receipt of the payment in the Judgment Currency. If the amount of the Required Currency that could be so purchased is less than the amount of the Required Currency originally due to such Holder or the Trustee, as the case may be, and the Issuer shall indemnify and hold harmless the Holder or the Trustee, as the case may be, from and against all loss or damage arising out of, or as a result of, such deficiency. This indemnity shall constitute an obligation separate and independent from the other obligations contained in the Indenture, the Notes, and shall give rise to a separate and independent cause of action, shall apply irrespective of any indulgence granted by any Holder or the Trustee from time to time and shall continue in full force and effect notwithstanding any judgment or order for a liquidated sum in respect of an amount due hereunder or under any judgment or order.

Prescription

There is no express term in the Indenture as to any time limit on the validity of claims of the Holders to interest and repayment of principal, but any such claims will be subject to any statutory limitation period prescribed under the laws of the State of New York.

Notices

All notices to the Holders (while any Notes are represented by one or more Global Notes) shall be delivered to Euroclear and Clearstream, as applicable, for communication to entitled account Holders or, alternatively, will be valid if disseminated through the newswire service of Bloomberg (or if Bloomberg does not operate, any similar agency) or published in a leading English language daily newspaper published in the City of London or, if such publication is not reasonably practicable, in such other English language daily newspaper with general circulation in Europe. It is expected that any such publication will normally be made in the *Financial Times*. So long as the Notes are listed on the Luxembourg Stock Exchange and its rules so require, all notices to Holders will also be published in a newspaper having a general circulation in Luxembourg, which is expected to be the *Luxemburger Wort*, or on the official website of the Luxembourg Stock Exchange. If publication as provided above is not practicable, notice will be given in such other manner, and shall be deemed to have been given on such date, as the Trustee may approve. In the case of Definitive Registered Notes, notices will be mailed to Holders by first-class mail at their respective addresses as they appear on the records of the Registrar.

Notices given by publication, including without limitation through the newswire service of Bloomberg (or if Bloomberg does not operate, any similar agency), will be deemed given on the first date on which publication is made. Notices delivered to Euroclear and Clearstream will be deemed given on the date when delivered. Notices given by first class mail, postage paid, will be deemed given five calendar days after mailing whether or not the addressee receives it.

So long as any Notes are admitted to the Official List of the Luxembourg Stock Exchange and admitted to trading on the Euro MTF market of the Luxembourg Stock Exchange, and to the extent required by the Luxembourg Stock Exchange, the Issuer will provide a copy of all notices to the Luxembourg Stock Exchange.

Concerning the Trustee

Wilmington Trust, National Association is to be appointed as Trustee under the Indenture.

The Holders of a majority in aggregate principal amount of the then outstanding 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 Indenture will provide that in case an Event of Default occurs, of which a responsible officer of the Trustee has actual knowledge thereof or has received written notice, and is continuing, the Trustee will be required, in the exercise of its power, to use the degree of care of a prudent person in the conduct of his own affairs. The permissive rights of the Trustee to take or refrain from taking any action enumerated in the Indenture will not be construed as an obligation or duty. The Trustee will be under no obligation to exercise any of its rights or powers under the Indenture at the request of any Holder of Notes, unless such Holder has offered and, if requested, provided to the Trustee security and/or indemnity, including by way of pre-funding, satisfactory to it against any loss, liability or expense (which includes the cost of the Trustee's legal counsel) that may be caused by taking or not taking such action.

The Indenture will set out the terms under which the Trustee may retire or be removed, and replaced. Such terms will include, among others, (1) that the Trustee may be removed at any time by the Holders of a majority in principal amount of the then outstanding Notes, or may resign at any time by giving 30 days' written notice to the Issuer and (2) that if the Trustee at any time (a) has or acquires a conflict of interest that is not eliminated or (b) becomes incapable of acting as Trustee or becomes insolvent or bankrupt, then the Issuer may remove the Trustee, or any Holder of Notes who has been a *bona fide* Holder of Notes for not less than six months may petition any court for removal of the Trustee and appointment of a successor Trustee.

Any removal or resignation of the Trustee shall not become effective until the acceptance of appointment by the successor Trustee.

The Indenture will contain provisions for the indemnification of the Trustee for any loss, liability, taxes and expenses incurred without gross negligence, willful misconduct or fraud on its part, arising out of or in connection with the acceptance or administration of the Indenture.

Consent to Jurisdiction and Service of Process

The Issuer will irrevocably submit to the jurisdiction of any New York state or U.S. federal court located in The Borough of Manhattan, City of New York, State of New York in relation to any legal action or proceeding (i) arising out of, related to or in connection with the Indenture, the Notes and any related documents and (ii) arising under any U.S. federal or U.S. state securities laws. The Issuer will appoint Law Debenture Corporate Services Inc. as its agent for service of process in any such action or proceeding.

Additional Information

Anyone who receives this listing prospectus may obtain a copy of the Indenture without charge by writing to the Issuer, Immeuble Le Cap, 8, rue Félix Pyat, 92800 Puteaux, France, Attention: Director of Finance and Administration.

So long as any Notes are admitted to the official list of the Luxembourg Stock Exchange and admitted to trading on the Euro MTF market of the Luxembourg Stock Exchange, and to the extent required by the Luxembourg Stock Exchange, copies of the Issuer's annual audited consolidated and unconsolidated financial statements, the Issuer's unaudited consolidated interim quarterly financial statements, the Indenture (including the form of Notes), the Intercreditor Agreements, any Additional Intercreditor Agreement, the Security Documents, the articles of incorporation of the Issuer, the listing prospectus and any documents furnished to the Trustee under the covenant described under the heading "—*Reports*" may be obtained, free of charge, during normal business hours at the offices of the listing agent in Luxembourg.

Governing Law

The Indenture and the Notes will be governed by and construed in accordance with the laws of the State of New York.

Certain Definitions

Set forth below are certain defined terms used in the Indenture. Reference is made to the Indenture for a full disclosure of all defined terms used therein, as well as any other capitalized terms used herein for which no definition is provided.

"2021 Senior Secured Notes" means the 4.875% Senior Secured Notes due 2021 issued on July 23, 2014.

"2022 Senior Secured Notes" means the 3.500% Senior Secured Notes due 2022 issued on April 4, 2017.

"2023 Senior Secured Notes" means the 3.500% Senior Secured Notes due 2023 issued on May 3, 2016.

"2024 Senior Secured Notes" means the 4.250% Senior Secured Notes due 2024 issued on April 4, 2017.

"2025 Senior Secured Notes" means the 3.250% Senior Secured Notes due 2025 issued on July 22, 2019.

"2025 Senior Subordinated Notes" means the 6.000% Senior Subordinated Notes due 2025 issued on April 4, 2017.

"Acquired Debt" means, with respect to any specified Person:

(1) Indebtedness of any other Person existing at the time such other Person is merged with or into or became a Subsidiary of such specified Person, whether or not such Indebtedness is Incurred in connection with, or in contemplation of, such other Person merging with or into, or becoming a Subsidiary of, such specified Person; and

(2) Indebtedness secured by a Lien encumbering any asset acquired by such specified Person.

"Affiliate" of any specified Person means any other Person directly or indirectly controlling or controlled by or under direct or indirect common control with such specified Person. For purposes of this definition, "control," as used with respect to any Person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of such Person, whether through the ownership of voting securities, by agreement or otherwise. For purposes of this definition, the terms "controlling," "controlled by" and "under common control with" have correlative meanings.

"Applicable Premium" means, with respect to any note on any redemption date, the greater of:

(1) 1.0% of the principal amount of the note; or

(2) the excess of:

(i) the present value at such redemption date of (i) the redemption price of the note at February 15, 2024 (such redemption price being set forth in the table appearing above under the caption "—*Optional Redemption*") plus (ii) all required interest payments due on the note through February 15, 2024 (excluding accrued but unpaid interest to the redemption date), computed using a discount rate equal to the Bund Rate as of such redemption date plus 50 basis points; over

(ii) the outstanding principal amount of the note, if greater,

as calculated by the Issuer or on behalf of the Issuer by such Person as the Issuer shall designate. For the avoidance of doubt, calculation of the Applicable Premium shall not be a duty or obligation of the Trustee or Paying Agent.

"April 2026 Senior Secured Notes" means the 2.875% Senior Secured Notes due 2026 issued on April 11, 2019.

"April 2027 Senior Subordinated Notes" means the 4.500% Senior Subordinated Notes due 2027 issued on April 11, 2019.

"Asset Sale" means:

(1) the sale, lease (other than operating leases entered into in the ordinary course of business), conveyance or other disposition of any assets or rights; *provided* that the sale, lease, conveyance or other disposition of all or substantially all of the assets of the Issuer and its Restricted Subsidiaries taken as a whole will be governed by the provisions of the Indenture described above under the caption "—*Repurchase at the Option of Holders—Change of Control* Triggering Event" and/or the provisions described above under the caption "—Certain Covenants—Merger, Consolidation or Sale of Assets" and not by the provisions of the Asset Sale covenant; and

(2) the issuance or sale of Equity Interests in any of the Issuer's Restricted Subsidiaries.

Notwithstanding the preceding, none of the following items will be deemed to be an Asset Sale:

(1) any single transaction or series of related transactions that involves assets or rights having a Fair Market Value of less than the greater of: (a) €57.0 million; and (b) 1.0% of Consolidated Total Assets of the Issuer;

(2) a transfer of assets, rights or Equity Interests, between or among the Issuer and its Restricted Subsidiaries;

(3) an issuance of Equity Interests by a Restricted Subsidiary of the Issuer to the Issuer or to a Restricted Subsidiary of the Issuer;

(4) the sale or lease of equipment, products or accounts receivable (including discounting thereof) in the ordinary course of business and any sale or other disposition of obsolete or permanently retired equipment and facilities and equipment and facilities that are no longer useful in the conduct of the business of the Issuer and its Restricted Subsidiaries;

(5) the sale or other disposition of cash, Cash Equivalents or Government Guaranteed Securities;

(6) a Restricted Payment that does not violate the covenant described above under the caption "—Certain Covenants—Restricted Payments," a Permitted Investment or any transaction specifically excluded from the definition of Restricted Payment;

(7) licensing or sublicensing of intellectual property or other general intangibles and licenses, leases or subleases of other property in the ordinary course of business;

(8) the unwinding of Hedging Obligations;

(9) 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;

(10) any exchange of assets (including a combination of assets and Cash Equivalents) for assets related to a Permitted Business (including Capital Stock of an entity that either is and remains or becomes a Restricted Subsidiary immediately after giving effect to such exchange) of comparable or greater market value or usefulness to the business of the Issuer and its Restricted Subsidiaries as a whole, as determined in good faith by the Issuer;

(11) the sale, lease, assignment, exchange or other transfer of inventory, products, services, raw materials, receivables or other assets in the ordinary course of business;

(12) any sale or other disposition of damaged, worn-out, obsolete or excess assets or properties or other assets that are no longer used or useful in or necessary for the proper conduct of the business of the Issuer and its Restricted Subsidiaries;

(13) any sale of assets received by the Issuer or any of its Restricted Subsidiaries upon the foreclosure on a Lien;

(14) the foreclosure, condemnation or any similar action with respect to any property or other assets, or the surrender, or waiver of contract rights or settlement, release or surrender of contract, tort or other claims;

(15) licenses and sublicenses by the Issuer or any of its Restricted Subsidiaries in the ordinary course of business;

(16) dispositions to the extent required by, or made pursuant to, customary buy/sell arrangements between joint venture parties set forth in joint venture arrangements and similar binding agreements;

(17) the granting of Liens not otherwise prohibited by the Indenture; and

(18) any disposition of Securitization Assets or participations therein, in connection with any Qualified Securitization Financing or Permitted Recourse Receivables Financing.

"Beneficial Owner" has the meaning assigned to such term in Rule 13d-3 and Rule 13d-5 under the U.S. Exchange Act as in effect on the Issue Date, except that in calculating the beneficial ownership of any particular "person" (as that term is used in Section 13(d)(3) of the U.S. Exchange Act as in effect on the Issue Date), such "person" will be deemed to have beneficial ownership of all securities that such "person" has the right to acquire by conversion or exercise of other securities, whether such right is currently exercisable or is exercisable only after the passage of time. The terms "Beneficially Owns" and "Beneficially Owned" have a corresponding meaning. Notwithstanding the preceding or any provision of Rule 13d-3 and Rule 13d-5 under the U.S. Exchange Act, (i) a Person or group shall not be deemed to Beneficially Own securities subject to an equity or asset purchase agreement, merger agreement or similar agreement until the consummation of the transactions contemplated by such agreement and (ii) if any group includes one or more Principals or their Related Parties, the issued and outstanding Voting Stock of the Issuer Beneficially Owned, directly or indirectly, by any Principals or their Related Parties that are part of such group shall not be treated as being Beneficially Owned by any other member of such group for purposes of determining whether a Change of Control has occurred.

"Board of Directors" means:

(1) with respect to a corporation, the board of directors of the corporation or any committee thereof duly authorized to act on behalf of such board;

(2) with respect to a partnership, the Board of Directors of the general partner of the partnership;

(3) with respect to a limited liability company, the managing member or members or any controlling committee of managing members thereof;

(4) with respect to the Issuer, for so long as it has no board of directors, the Issuer's president in relation to actions to be taken under "—Certain Covenants—Designation of Restricted and Unrestricted Subsidiaries," "—Legal Defeasance and Covenant Defeasance" and all other determinations and valuations to be made under the Indenture, among others; provided, however, that for the purposes of clause (2) of the first paragraph of "—Certain Covenants—Transactions with Affiliates" the definitions of "Disinterested Members" and "Board of Directors" shall mean the Issuer's Strategic Committee; and

(5) with respect to any other Person, the board or committee of such Person serving a similar function.

"Bund Rate" means, with respect to any relevant date, the rate per annum equal to the equivalent yield to maturity as of such date of the Comparable German Bund Issue, assuming a price for the Comparable German Bund Issue (expressed as a percentage of its principal amount) equal to the Comparable German Bund Price for such relevant date, where:

(i) "Comparable German Bund Issue" means the German Bundesanleihe security selected by any Reference German Bund Dealer as having a fixed maturity most nearly equal to the period from such redemption date to February 15, 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 Notes and of a maturity most nearly equal to February 15, 2024, *provided, however*, that, if the period from such redemption date to February 15, 2024 is less than one year, a fixed maturity of one year shall be used;

(ii) "Comparable German Bund Price" 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 Issuer obtains fewer than four such Reference German Bund Dealer Quotations, the average of all such quotations;

(iii) "Reference German Bund Dealer" means any dealer of German Bundesanleihe securities appointed by the Issuer in good faith; and

(iv) "Reference German Bund Dealer Quotations" means, with respect to each Reference German Bund Dealer and any relevant date, the average as determined by the 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 Issuer by such Reference German Bund Dealer at 3:30 p.m. Frankfurt, German time on the third Business Day preceding the relevant date.

"Business Day" means any day on which commercial banking institutions are open for business and carrying out transactions in euro in France and in the country in which the Paying Agent has its specified office or in which Notes may be presented for payment in accordance with the terms of the agency agreement and is a day on which the Trans-European Automated Real Time Gross Settlement Express Transfer System ("TARGET") is operating.

"Capital Lease Obligation" means, at the time any determination is to be made, the amount of the liability in respect of a capital lease that would at that time be required to be capitalized on a balance sheet prepared in accordance with IFRS in effect as of the Issue Date, and the Stated Maturity thereof shall be the date of the last payment of rent or any other amount due under such lease prior to the first date upon which such lease may be prepaid by the lessee without payment of a penalty.

"Capital Stock" means:

(1) in the case of a corporation, corporate stock;

(2) in the case of an association or business entity that is not a corporation, any and all shares, interests, participations, rights or other equivalents (however designated) of corporate stock;

(3) in the case of a partnership or limited liability company, partnership interests (whether general or limited) or membership interests; and

(4) any other interest or participation that confers on a Person the right to receive a share of the profits and losses of, or distributions of assets of, the issuing Person, but excluding from all of the foregoing any debt securities convertible into Capital Stock, whether or not such debt securities include any right of participation with Capital Stock.

"Cash Equivalents" means:

(1) direct obligations (or certificates representing an interest in such obligations) issued by, or unconditionally guaranteed by, the government of a European Union Member State, Switzerland or the United States of America (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 European Union Member State, Switzerland or the United States of America, as the case may be, and which are not callable or redeemable at the Issuer's option; provided that such country (or agency or instrumentality) has a long-term government debt rating of "A1" or higher by Moody's or "A+" or higher by S&P or the equivalent rating category of another internationally recognized rating agency, as of the date of the investment;

(2) overnight bank deposits, time deposit accounts, certificates of deposit, banker's acceptances and money market deposits with maturities (and similar instruments) of 12 months or less from the date of acquisition issued by a bank or trust company *provided* that (A)(i) such bank or trust company is organized under, or authorized to operate as a bank or trust company under, the laws of a European Union Member State, Switzerland or the United States of America or any state thereof and has capital, surplus and undivided profits aggregating in excess of €250.0 million (or the foreign currency equivalent thereof as of the date of such investment) and whose rating is "P-2" or higher by Moody's or "A-2" or higher by S&P or the equivalent rating category of another internationally recognized rating agency, as of the date of the investment and (ii) such country under which such bank or trust company is organized or authorized to operate has a long-term government debt rating of "A1" or higher by Moody's or "A+" or higher by S&P or the equivalent rating category of another internationally recognized rating agency, as of the date of the investment; or (B) such bank or trust company has capital, surplus and undivided profits aggregating in excess of €250.0 million (on the foreign currency equivalent thereof as of the date of such investment) and whose rating is "P-1" or higher by Moody's or "A-1" or higher by S&P or the equivalent rating category of another internationally recognized rating agency, as of the date of the investment;

(3) repurchase obligations for underlying securities of the types described in clauses (1) and (2) above entered into with any financial institution meeting the qualifications specified in clause (2) above;

(4) commercial paper having one of the two highest ratings obtainable from Moody's or S&P and, in each case, maturing within one year after the date of acquisition;

(5) money market funds at least 95% of the assets of which constitute Cash Equivalents of the kinds described in clauses (1) through (4) of this definition; and

(6) Investments made for non-speculative cash management purposes in the ordinary course of business not exceeding €35.0 million at any one time outstanding.

"Change of Control" means the occurrence of any of the following:

(1) the direct or indirect sale, lease, transfer, conveyance or other disposition (other than by way of merger or consolidation), in one or a series of related transactions, of all or substantially all of the properties or assets of the Issuer and its Subsidiaries taken as a whole to any "person" (as that term is used in Section 13(d) of the Exchange Act as in effect on the Issue Date) other than a Principal or a Related Party of a Principal;

(2) the adoption of a plan relating to the liquidation or dissolution of the Issuer; or

(3) the consummation of any transaction (including, without limitation, any merger or consolidation), the result of which is that any "person" (as defined above), other than the Principals and their Related Parties becomes the Beneficial Owner, directly or indirectly, of more than 50% of the Voting Stock of the Issuer, measured by voting power rather than number of shares; *provided* that so long as the Issuer is a Subsidiary of a parent Person, no "person" shall be deemed to be or become a Beneficial Owner of more than 50% of the total voting power of the Voting Stock of the Issuer unless such "person" shall be or become a Beneficial Owner of more than 50% of the total voting power of the Voting Stock of such parent Person.

"Change of Control Offer" has the meaning assigned to that term in the Indenture governing the Notes.

"Change of Control Rating Decline" means the occurrence at any time during the period commencing on the date of the first public notice of the occurrence of an event specified in clauses (1), (2) or (3) of the definition of Change of Control and ending on the date that is 90 days following the occurrence of such event (which period shall be extended so long as during such period the rating of the Notes is under publicly announced consideration by S&P) of any of the following events:

(1) S&P shall issue, confirm or maintain a corporate rating of the Issuer which rating is below B+; or

(2) S&P shall withdraw or will have previously withdrawn its corporate rating of the Issuer.

If S&P does not announce an action with regard to its rating of the Notes as soon as reasonably practicable after the occurrence of an event specified in clauses (1), (2) or (3) of the definition of Change of Control, the Issuer shall request S&P to confirm its rating of the Notes before the end of such 90-day period.

"Change of Control Triggering Event" means the occurrence of both (a) a Change of Control and (b) a Change of Control Rating Decline.

"Consolidated Cash Flow" means, with respect to any specified Person for any period, the Consolidated Net Income of such Person for such period plus, without duplication:

(1) provision for taxes based on income or profits of such Person and its Restricted Subsidiaries, including pursuant to the *cotisation sur la valeur ajoutée des entreprises*, for such period, to the extent that such provision for taxes was deducted in computing such Consolidated Net Income; plus

(2) the Fixed Charges of such Person and its Restricted Subsidiaries for such period, to the extent that such Fixed Charges were deducted in computing such Consolidated Net Income; plus

(3) depreciation, amortization (including, without limitation, amortization of intangibles and deferred financing fees but excluding amortization of prepaid cash expenses that were paid in a prior period) and other non-cash charges and expenses (including, without limitation, write-downs and impairment of property, plant, equipment and intangibles and other long-lived assets) of such Person and its Restricted Subsidiaries (excluding any such non-cash charge or expense to the extent that it represents an accrual of or reserve for cash charges or expenses in any future period or amortization of a prepaid cash charge or expense that was paid in a prior period) for such period to the extent that such depreciation, amortization and other non-cash expenses were deducted in computing such Consolidated Net Income; plus

(4) the amount of loss or discount on sale of Securitization Assets and related assets in connection with a Qualified Securitization Financing or Permitted Recourse Receivables Financing; plus

(5) any income or charge 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; plus

(6) any unrealized foreign currency translation or transaction losses of the Person and its Restricted Subsidiaries (including losses related to currency remeasurements of Indebtedness); plus

(7) acquisition costs and any fees, expenses, charges or other costs related to equity or debt financings, investments, restructurings, dispositions or acquisitions, establishing a joint venture, disposition, recapitalization or listing or the Incurrence of Indebtedness permitted to be Incurred under the covenant described above under the caption "—Certain Covenants—Incurrence of Indebtedness and Issuance of Preferred Stock" (or the refinancing thereof) whether or not successful, including (i) such fees, expenses or charges related to an Incurrence of Indebtedness and (ii) any amendment or other modification of any Incurrence; plus

(8) all expenses Incurred directly in connection with any early extinguishment of Indebtedness; minus

(9) non-cash items increasing such Consolidated Net Income for such period, other than the accrual of revenue in the ordinary course of business and 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.

"Consolidated Net Leverage" means, with respect to any Person, the sum of (a) the aggregate outstanding Indebtedness of that Person and its Restricted Subsidiaries (excluding Subordinated Shareholder Debt), the aggregate outstanding amount of Disqualified Stock issued by the Issuer and the aggregate liquidation preference of any preferred equity issued by a Restricted Subsidiary, *less* cash and Cash Equivalents, in each case, as of the relevant date of calculation.

"Consolidated Net Leverage Ratio" means, as of any date of determination, the ratio of (1) the sum of (a) the Consolidated Net Leverage of such Person on such date, *plus* (b) the Reserved Indebtedness Amount on such date, *less* (c) the aggregate amount of cash and Cash Equivalents of the Company and the Restricted Subsidiaries on a consolidated basis to (2) the Consolidated Cash Flow of such Person for the most recently ended four full fiscal quarters for which internal financial statements are available immediately preceding the date on which such additional Indebtedness is Incurred, *provided* that in calculating the Consolidated Net Leverage Ratio or any element thereof for any period, cost reduction, cost savings and cost synergies plans or programs in connection with any transaction, Investment, acquisition, disposition, restructuring, corporate reorganization or otherwise (as determined in good faith by the Issuer's Chief Financial Officer or chief accounting officer) and that are reasonably expected to be realized within 18 months following the Calculation Date (as defined below) may be given *pro forma* effect (regardless of whether these cost savings and cost reduction synergies could then be reflected in *pro forma* financial statements to the extent prepared). In the event that the specified Person or any of its Restricted Subsidiaries Incurs, assumes, guarantees, repays, repurchases, redeems, defeases or otherwise discharges any Indebtedness (other than ordinary working capital borrowings) or issues, repurchases or redeems Disqualified 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 (the "Calculation Date") (but not giving effect to (i) any additional Indebtedness to be Incurred on the Calculation Date as part of the same transaction or series of transactions pursuant to the second paragraph under the caption "*—Certain Covenants—Incurrence of Indebtedness and Issuance of Preferred Stock*" other than Indebtedness Incurred pursuant to clause (14) thereof or (ii) the discharge on such Calculation Date of any Indebtedness to the extent such discharge is made with the proceeds of such additional Indebtedness), then the Consolidated Net Leverage Ratio will be calculated giving *pro forma* effect (as determined in good faith by a responsible accounting or financial officer of the Issuer and may include anticipated expense and cost reduction synergies) to such Incurrence, assumption, guarantee, repayment, repurchase, redemption, defeasance or other discharge of Indebtedness, or such issuance, repurchase or redemption of Disqualified 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.

In addition, for purposes of calculating the Consolidated Cash Flow for such period:

(1) acquisitions that have been made by the specified Person or any of its Subsidiaries which are Restricted Subsidiaries, including through mergers or consolidations, or by any Person or any of its Subsidiaries which are Restricted Subsidiaries acquired by the 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 any Unrestricted Subsidiary that has been redesignated as a Restricted Subsidiary), during the four-quarter reference period or subsequent to such reference period and on or prior to the Calculation Date, or that are to be made on the Calculation Date, will be given pro forma effect (as determined in good faith by a responsible accounting or financial officer of the Issuer and may include anticipated expense and cost reduction synergies) as if they had occurred on the first day of the four-quarter reference period;

(2) the Consolidated Cash Flow 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;

(3) any Person that is a Restricted Subsidiary (including any Unrestricted Subsidiary that has been redesignated as 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

(4) 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 Cash Flow associated therewith, the *pro forma* calculation shall be determined in good faith by a responsible financial or accounting Officer of the Issuer and may include anticipated expense and cost reduction synergies. Interest on any Indebtedness that bears interest at a floating rate and that is being given *pro forma* effect shall be calculated as if the rate in effect on the date of calculation had been applicable for the entire period.

When Consolidated Cash Flow is being calculated for the purpose of any grower basket set forth hereunder, it shall be calculated on a *pro forma* basis consistent with the calculation of Consolidated Cash Flow for purposes of the Fixed Charge Coverage Ratio.

"Consolidated Net Income" means, with respect to any specified Person for any period, the aggregate of the net income (loss) of such Person and its Restricted Subsidiaries for such period, on a consolidated basis, determined in accordance with IFRS; *provided* that:

(1) any gain (loss), together with any related provision for taxes on such gain (loss) realized in connection with: (a) any Asset Sale by any such Person or its Restricted Subsidiaries or (b) the disposition of any securities by such Person or any of its Restricted Subsidiaries or (c) the extinguishment of any Indebtedness of such Person or any of its Restricted Subsidiaries will be excluded;

(2) any extraordinary, exceptional, unusual or non-recurring gain, loss, charge or expense, together with any related provision for taxes on such extraordinary, exceptional, unusual or non-recurring gain, loss, charge or expense, will be excluded;

(3) the net income (loss) of any Person that is not a Restricted Subsidiary (including an Unrestricted Subsidiary or a joint venture that is not a Restricted Subsidiary) or that is accounted for by the equity method of accounting 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;

(4) solely for purposes of determining the amount available for Restricted Payments under clause 3(i) following the definition of Restricted Payments, the net income (loss) of any Restricted Subsidiary that is not a Guarantor will be excluded to the extent that the declaration or payment of dividends or similar distributions by that Restricted Subsidiary of that net income is not at the date of determination permitted without any prior governmental approval (that has not been obtained) or, directly or indirectly, by operation of the terms of its charter or any agreement, instrument, judgment, decree, order, statute, rule or governmental regulation applicable to that Restricted Subsidiary or its stockholders (other than (a) restrictions with respect to the payment of dividends or similar distributions that have been legally waived or released or (b) restrictions listed under clauses (1) through (4), (12), (15) and (16) of the second paragraph of "*—Certain Covenants—Dividend and Other Payment Restrictions Affecting Subsidiaries*");

(5) the cumulative effect of a change in accounting principles will be excluded; and

(6) any increase in amortization or depreciation resulting from purchase accounting in relation to any acquisition of another Person or business will be excluded.

"Consolidated Net Senior Secured Leverage Ratio" means, as of any date of determination, the ratio of (1) the sum of (a) the Senior Secured Debt of such Person on such date, *plus* (b) the Reserved Indebtedness Amount secured by a first lien on the Collateral and not contractually subordinated to the obligations under the Notes, *less* (c) the aggregate amount of cash and Cash Equivalents of the Issuer and the Restricted Subsidiaries on a consolidated basis to (2) the Consolidated Cash Flow of such Person for the most recently ended four full fiscal quarters for which internal financial statements are available immediately preceding the date on which such additional Indebtedness is Incurred; *provided* that in calculating the Consolidated Net Senior Secured Leverage Ratio or any element thereof for any period, cost reduction, cost savings and cost synergies plans or programs in connection with any transaction, Investment, acquisition, disposition, restructuring, corporate reorganization or otherwise (as determined in good faith by the Issuer's Chief Financial Officer or chief accounting officer) and that are reasonably expected to be realized within 18 months following the Calculation Date (as defined below) may be given *pro forma* effect (regardless of whether these cost savings and cost reduction synergies could then be reflected in *pro forma* financial statements to the extent prepared). In the event that the specified Person or any of its Restricted Subsidiaries Incurs, assumes, guarantees, repays, repurchases, redeems, defeases or otherwise discharges any Indebtedness (other than ordinary working capital borrowings) or issues, repurchases or redeems Disqualified Stock or preferred stock subsequent to the commencement of the period for which the Consolidated Net Senior Secured Leverage Ratio is being calculated and on or prior to the date on which the event for which the calculation of the Consolidated Net Senior Secured Leverage Ratio is made (the "Calculation Date"), then the Consolidated Net Senior Secured Leverage Ratio will be calculated giving *pro forma* effect (as determined in good faith by a responsible accounting or financial officer of the Issuer and may include anticipated expense and cost reduction synergies) to such Incurrence, assumption, guarantee, repayment, repurchase, redemption, defeasance or other discharge of Indebtedness, or such issuance, repurchase or redemption of Disqualified 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; *provided, however*, that the *pro forma* calculation of the Consolidated Net Senior Secured Leverage Ratio shall not give effect to (i) any Indebtedness Incurred on the date of determination pursuant to the provisions described in the definition of Permitted Debt (other than any such additional Indebtedness that is Incurred on the date of determination under clause (14) of the definition of Permitted Debt, the Incurrence of which itself requires the calculation of the Consolidated Net Senior Secured Leverage Ratio); or (ii) the discharge on the date of determination of any Indebtedness to the extent that such discharge results from the application of the proceeds of Indebtedness Incurred at the date of determination pursuant to the provisions described in the definition of Permitted Debt.

In addition, for purposes of calculating the Consolidated Cash Flow for such period:

(1) acquisitions that have been made by the specified Person or any of its Subsidiaries which are Restricted Subsidiaries, including through mergers or consolidations, or by any Person or any of its Subsidiaries which are Restricted Subsidiaries acquired by the 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 any Unrestricted Subsidiary that has been redesignated as a Restricted Subsidiary), during the four-quarter reference period or subsequent to such reference period and on or prior to the Calculation Date, or that are to be made on the Calculation Date, will be given pro forma effect (as determined in good faith by a responsible accounting or financial officer of the Issuer and may include anticipated expense and cost reduction synergies) as if they had occurred on the first day of the four-quarter reference period;

(2) the Consolidated Cash Flow 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;

(3) any Person that is a Restricted Subsidiary (including any Unrestricted Subsidiary that has been redesignated as 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

(4) 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 Cash Flow associated therewith, the *pro forma* calculation shall be determined in good faith by a responsible financial or accounting Officer of the Issuer and may include anticipated expense and cost reduction synergies. Interest on any Indebtedness that bears interest at a floating rate and that is being given *pro forma* effect shall be calculated as if the rate in effect on the date of calculation had been applicable for the entire period.

When Consolidated Cash Flow is being calculated for the purpose of any grower basket set forth hereunder, it shall be calculated on a *pro forma* basis consistent with the calculation of Consolidated Cash Flow for purposes of the Fixed Charge Coverage Ratio.

"Consolidated Total Assets" means, with respect to any specified Person at any time, the total assets of such Person and its Subsidiaries which are Restricted Subsidiaries, in each case as shown on the most recent balance sheet of such Person, determined on a consolidated basis in accordance with IFRS (giving *pro forma* effect to any acquisitions or dispositions of assets or properties that have been made by the Issuer or any of its Restricted Subsidiaries subsequent to the date of such balance sheet, including through mergers or consolidations).

"Contingent Obligations" means, with respect to any Person, any obligation of such Person guaranteeing any leases, dividends or other obligations that do not constitute Indebtedness ("primary obligations") of any other Person in any manner, whether directly or indirectly, including, without limitation, any obligation of such Person, whether or not contingent:

(1) to purchase any such primary obligation or any property constituting direct or indirect security thereof;

(2) to advance or supply funds (A) for the purchase or payment of any such primary obligation or (B) to maintain working capital or equity capital of the primary obligor or otherwise to maintain the net worth or solvency of the primary obligor; or

(3) to purchase property, securities or services primarily for the purpose of assuring the owner of any such primary obligation of the ability of the primary obligor to make payment of such obligation against loss in respect thereof.

"Credit Facilities" means any credit agreement, indentures or other agreements (including, without limitation, the Indenture) between the Issuer or one or more Restricted Subsidiaries and a financial institution or institutions providing for the making of loans, on a term or revolving basis, the issuance of letters of credit, commercial paper facilities, notes (including, without limitation, the Notes offered hereby and other debt securities), receivables financing (including through the sale of receivables to such lenders or to special purpose entities formed to borrow from such lenders against such receivables) or equipment financing facilities (including, without limitation, finance leases, asset-based lending, sale-and-leaseback transactions and similar arrangements), in each case, as amended, restated, modified, renewed, refunded, replaced or refinanced (including by means of a sale of debt securities) in whole or in part from time to time in one or more agreements or indentures (in each case with the same or new lenders or institutional investors), including any agreement or indenture extending the maturity thereof or otherwise restructuring all or any portion of the Indebtedness thereunder or increasing the amount loaned or issued thereunder or altering the maturity thereof.

"Default" means any event that is, or with the passage of time or the giving of notice or both would be, an Event of Default.

"Designated Non-Cash Consideration" means the Fair Market Value of non-cash consideration received by the Issuer or any Restricted Subsidiary in connection with an Asset Sale that is designated as such on the closing date of such Asset Sale pursuant to an officers' certificate, setting forth the basis of such valuation. The aggregate Fair Market Value of the Designated Non-Cash Consideration at the time of receipt, taken together with the Fair Market Value (measured on the date of receipt) of all other Designated Non-Cash Consideration received by the Issuer or any Restricted Subsidiary since the date of the Indenture that is outstanding, may not exceed the greater of €85.0 million and 1.5% of Consolidated Total Assets in the aggregate.

"Disinterested Members" means, with respect to any transaction or series of related transactions, one or more members of the Board of Directors of the Issuer who does not have any material direct or indirect financial interest in or with respect to such transaction or series of related transactions. A member of the Board of Directors of the Issuer shall not be deemed to have such a financial interest by reason of such member's holding Capital Stock of the Issuer or any Affiliate thereof, any Capital Stock or other debt or equity debt or equity securities of any entity formed for the purpose of investing in Capital Stock of the Issuer or any options, warrants or other rights in respect of any of the foregoing or being an officer, director, consultant or employee of any such entities.

"Disqualified Stock" means any Capital Stock that, by its terms (or by the terms of any security into which it is convertible, or for which it is exchangeable, in each case, at the option of the holder of the Capital Stock), or upon the happening of any event, matures or is mandatorily redeemable, pursuant to a sinking fund obligation or otherwise, or redeemable at the option of the holder of the Capital Stock, in whole or in part, on or prior to the date that is 91 days after the date on which the Notes mature. Notwithstanding the preceding sentence, any Capital Stock that would constitute Disqualified Stock solely because the holders of the Capital Stock have the right to require the Issuer to repurchase such Capital Stock upon the occurrence of a change of control or an asset sale will not constitute Disqualified Stock if the terms of such Capital Stock provide that the Issuer may not repurchase or redeem any such Capital Stock pursuant to such provisions unless such repurchase or redemption complies with the covenant described above under the caption "*—Certain Covenants—Restricted Payments*." The amount of Disqualified Stock deemed to be outstanding at any time for purposes of the Indenture will be the maximum amount that the Issuer and its Restricted Subsidiaries may become obligated to pay upon the maturity of, or pursuant to any mandatory redemption provisions of, such Disqualified Stock, exclusive of accrued dividends.

"Equity Interests" means Capital Stock and all warrants, options or other rights to acquire Capital Stock (but excluding any debt security that is convertible into, or exchangeable for, Capital Stock).

"Equity Offering" means any public or private offering of the Capital Stock (other than Disqualified Stock) of the Issuer or a Parent of the Issuer, *provided* that (x) any such offering shall exclude Capital Stock issued to an Affiliate of the Issuer or pursuant to a stock option or employment compensation program and (y) in the case of any such offering by a Parent of the Issuer, the Net Proceeds thereof are contributed to the equity of the Issuer (other than through the issuance of Disqualified Stock or as an Excluded Contribution) or loaned to the Issuer as Subordinated Shareholder Debt.

"Euro Equivalent" means, with respect to any monetary amount in a currency other than euro, at any time for the determination thereof, the amount of euro obtained by converting such foreign currency involved in such computation into euro at the spot rate for the purchase of euro with the applicable foreign currency as published in the "*Currencies*" section of the *Financial Times* (or, if the *Financial Times* is no longer published, or if such information is no longer available in the *Financial Times*, such source as may be selected in good faith by the Issuer) on the date that is two Business Days prior to such determination.

"European Union Member State" shall mean any country that was a member of the European Union as of January 1, 2004.

"Excluded Contribution" means the net cash proceeds received by the Issuer after the Issue Date from:

(1) contributions to its common equity capital; and

(2) the sale (other than to a Subsidiary of the Issuer) of Capital Stock (other than Disqualified Stock) or Subordinated Shareholder Debt of the Issuer,

in each case designated as "Excluded Contribution" pursuant to an Officer's Certificate of the Issuer (which shall be designated no later than the date on which such Excluded Contribution has been received by the Issuer), the net cash proceeds of which are excluded from the calculation set forth in clause (3)(ii) of the second paragraph of the covenant described under "*—Certain Covenants—Restricted Payments*" hereof.

"Existing Indebtedness" means Indebtedness of the Issuer and its Restricted Subsidiaries in existence on the Issue Date, after giving effect to the Transactions.

"Existing Senior Secured Notes" means the 2024 Senior Secured Notes, 2025 Senior Secured Notes, April 2026 Senior Secured Notes and the July 2026 Senior Secured Notes, collectively.

"Fair Market Value" means the value that would be paid by a willing buyer to an unaffiliated willing seller in a transaction not involving distress or necessity of either party, determined in good faith by the chief executive officer, chief financial officer or responsible accounting or financial officer of the Issuer (unless otherwise provided in the Indenture). For the avoidance of doubt the Trustee shall have no obligation to determine the Fair Market Value.

"Fixed Charge Coverage Ratio" means, with respect to any specified Person for any period, the ratio of the Consolidated Cash Flow 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 of its Restricted Subsidiaries Incurs, assumes, guarantees, repays, repurchases, redeems, defeases or otherwise discharges any Indebtedness (other than ordinary working capital or capital expenditure borrowings) or has caused any Reserved Indebtedness Amount to be deemed to be Incurred during such period or issues, repurchases or redeems preferred stock subsequent to the commencement of the period for which the Fixed Charge Coverage Ratio is being calculated and on or prior to the date on which the event for which the calculation of the Fixed Charge Coverage Ratio is made (the "Calculation Date"), then the Fixed Charge Coverage Ratio will be calculated giving *pro forma* effect to such Incurrence, deemed Incurrence, assumption, Guarantee, repayment, repurchase, redemption, defeasance or other discharge of Indebtedness, 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; *provided*, *however*, that the *pro forma* calculation of the Fixed Charge Coverage Ratio shall not give effect to (i) any Indebtedness Incurred on the date of determination pursuant to the provisions described in the definition of Permitted Debt (other than any such additional Indebtedness that is Incurred on the date of determination under clause (14) of the definition of Permitted Debt, the Incurrence of which itself requires the calculation of the Fixed Charge Coverage Ratio) or (ii) the discharge on the date of determination of any Indebtedness to the extent that such discharge results from the proceeds Incurred on the date of determination pursuant to the provisions described in the definition of Permitted Debt.

In addition, for purposes of calculating the Fixed Charge Coverage Ratio:

(1) acquisitions that have been made by the specified Person or any of its Restricted Subsidiaries, including through mergers or consolidations, or any Person or any of its Restricted Subsidiaries

acquired by the specified Person or any of its Restricted Subsidiaries, and including any related financing transactions and including increases in ownership of Restricted Subsidiaries (including any Unrestricted Subsidiary that has been redesignated as a Restricted Subsidiary), 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 if they had occurred on the first day of the four-quarter reference period; provided that in calculating the Fixed Charge Coverage Ratio or any element thereof for any period, cost reduction, cost savings and cost synergies plans or programs in connection with any transaction, Investment, acquisition, disposition, restructuring, corporate reorganization or otherwise (as determined in good faith by the Issuer's Chief Financial Officer or chief accounting officer) and that are reasonably expected to be realized within 18 months may be given pro forma effect (regardless of whether these cost savings and cost reduction synergies could then be reflected in pro forma financial statements to the extent prepared);

(2) the Consolidated Cash Flow 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;

(3) the Fixed Charges attributable to discontinued operations, as determined in accordance with IFRS, and operations or businesses (and ownership interests therein) disposed of prior to the Calculation Date, will be excluded, but only to the extent that the obligations giving rise to such Fixed Charges will not be obligations of the specified Person or any of its Restricted Subsidiaries following the Calculation Date;

(4) any Person that is a Restricted Subsidiary (including any Unrestricted Subsidiary that has been redesignated as a Restricted Subsidiary) on the Calculation Date will be deemed to have been a Restricted Subsidiary at all times during such four-quarter period;

(5) any Person that is not a Restricted Subsidiary on the Calculation Date will be deemed not to have been a Restricted Subsidiary at any time during such four-quarter period;

(6) if any Indebtedness bears a floating rate of interest, the interest expense on such Indebtedness will be calculated as if the rate in effect on the Calculation Date had been the applicable rate for the entire period (taking into account any Hedging Obligation applicable to such Indebtedness 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 Indebtedness); and

(7) interest on a Capital Lease Obligation shall be deemed to accrue at an interest rate reasonably determined by a responsible financial or accounting officer of the Issuer to be the rate of interest implicit in such Capital Lease Obligation in accordance with IFRS.

For purposes of this definition, whenever *pro forma* effect is to be given to an acquisition or other Investment and the amount of income or earnings relating thereto, the *pro forma* calculations will be as determined in good faith by a responsible financial or accounting officer of the Issuer (including in respect of anticipated expense and cost reductions, operating improvements and synergies). In addition, for purposes of this definition, in determining the amount of Indebtedness outstanding on any date of determination, *pro forma* effect shall be given to any Incurrence, repayment, repurchase, defeasance or other acquisition, retirement or discharge of Indebtedness on such date.

"Fixed Charges" means, with respect to any specified Person for any period, the sum, without duplication, of:

(1) the consolidated interest expense of such Person and its Restricted Subsidiaries on their Indebtedness for such period, net of consolidated interest income, whether paid or accrued, including, without limitation, amortization of original issue discount, non-cash interest payments, the interest component of any deferred payment obligations, the interest component of all payments associated with Capital Lease Obligations, commissions, discounts and other fees and charges Incurred in respect of letter of credit or bankers' acceptance financings, and net of the effect of all payments made or received pursuant to Hedging Obligations in respect of interest rates (excluding non-cash interest expense on Subordinated Shareholder Debt); plus

(2) the consolidated interest expense of such Person and its Restricted Subsidiaries on their Indebtedness that was capitalized during such period; plus

(3) any interest on Indebtedness of another Person that is guaranteed by such Person or one of its Restricted Subsidiaries or secured by a Lien on assets of such Person or one of its Restricted Subsidiaries, whether or not such Guarantee or Lien is called upon; plus

(4) all dividends, whether paid or accrued and whether or not in cash, on any series of preferred stock of such Person or any of its Restricted Subsidiaries, other than dividends on Equity Interests payable solely in Equity Interests or Subordinated Shareholder Debt of the Issuer (other than Disqualified Stock) or to the Issuer or a Restricted Subsidiary of the Issuer; plus

(5) 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 the specified Person or any Restricted Subsidiary following the Calculation Date.

"Government Guaranteed Securities" means:

(1) securities issued or directly and fully guaranteed or insured by the U.S. government or any agency or instrumentality thereof (other than Cash Equivalents) and in each case with maturities not exceeding two years from the date of acquisition;

(2) corresponding instruments by any European Union Member State (*provided* that such member state has one of the two highest ratings obtainable from Moody's or S&P) or Switzerland or Norway or Japan, or any agency or instrumentality of any European Union Member State (*provided* that such member state has one of the two highest ratings obtainable from Moody's or S&P) or Switzerland or Norway or Japan and in each case with maturities not exceeding two years from the date of acquisition; and

(3) investments in any fund that invests exclusively in investments of the type described in clauses (1) and (2) above which fund may also hold immaterial amounts of cash pending investment and/or distribution.

"Guarantee" means a guarantee other than by endorsement of negotiable instruments for collection in the ordinary course of business, direct or indirect, in any manner including, without limitation, by way of a pledge of assets or through letters of credit or reimbursement agreements in respect thereof, of all or any part of any Indebtedness (whether arising by virtue of partnership arrangements, or by agreements to keep-well, to purchase assets, goods, securities or services, to take or pay or to maintain financial statement conditions or otherwise).

"Guarantor" means any Subsidiary of the Issuer that executes a Note Guarantee in accordance with the provisions of the Indenture, and its respective successors and assigns, in each case, until the Note Guarantee of such Person has been released in accordance with the provisions of the Indenture.

"Hedging Obligations" means, with respect to any specified Person, the obligations of such Person under:

(1) interest rate swap agreements (whether from fixed to floating or from floating to fixed), interest rate cap agreements and interest rate collar agreements;

(2) other agreements or arrangements designed to manage interest rates or interest rate risk; and

(3) other agreements or arrangements designed to protect such Person against fluctuations in currency exchange rates.

"Holder" means each Person in whose name the Notes are registered on the Registrar's books, which shall initially be the respective nominee of Euroclear or Clearstream, as applicable.

"IFRS" means the International Financial Reporting Standards (formerly, International Accounting Standards) as endorsed from time to time by the European Union; *provided* that at any date after the Issue Date the Issuer may make an irrevocable election to establish that "IFRS" shall mean IFRS as in effect on a date that is on or prior to the date of such election.

"Incur" means issue, create, assume, enter into any Notes Guarantee of, incur, extend or otherwise become liable for; *provided, however*, that any Indebtedness or Capital Stock of a Person existing at the time such Person becomes a Restricted Subsidiary (whether by merger, amalgamation, consolidation, acquisition or otherwise) will be deemed to be Incurred by such Restricted Subsidiary at the time it becomes a Restricted Subsidiary and the terms "Incurred" and "Incurrence" have meanings correlative to the foregoing and any Indebtedness pursuant to any revolving credit or similar facility shall only be "Incurred" at the time any funds are borrowed thereunder, subject to the definition of "Reserved Indebtedness Amount" and related provisions.

"Indebtedness" means, with respect to any specified Person, any indebtedness of such Person (excluding accrued expenses and trade payables), whether or not contingent:

(1) in respect of borrowed money;

(2) evidenced by bonds, notes, debentures or similar instruments or letters of credit (or reimbursement agreements in respect thereof);

(3) in respect of banker's acceptances;

(4) representing Capital Lease Obligations;

(5) representing the balance deferred and unpaid of the purchase price of any property or services due more than six months after such property is acquired or such services are completed; or

(6) representing any Hedging Obligations,

if and to the extent any of the preceding items (other than letters of credit and Hedging Obligations) would appear as a liability upon a balance sheet of the specified Person prepared in accordance with IFRS. In addition, the term "Indebtedness" includes all Indebtedness of others secured by a Lien on any asset of the specified Person (whether or not such Indebtedness is assumed by the specified Person) and, to the extent not otherwise included, the Guarantee by the specified Person of any Indebtedness of any other Person.

Notwithstanding the foregoing, "Indebtedness" shall not include any:

(A) Contingent Obligations Incurred in the ordinary course of business;

(B) in connection with the purchase by the 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 90 days thereafter;

(C) any contingent obligations in respect of workers' compensation claims, early retirement or termination obligations, pension fund obligations or contributions or similar claims, obligations or contributions or social security or wage Taxes;

(D) Subordinated Shareholder Debt;

(E) anything accounted for as an operating lease under IFRS in effect as of the Issue Date;

(F) any deposits or prepayments received by the Issuer or a Restricted Subsidiary for services or products to be provided or delivered; or

(G) obligations under, or in respect of, a Qualified Securitization Financing.

No Indebtedness will be considered to be subordinate or junior in right of payment to any other Indebtedness by reason of any Liens or guarantees arising or created in respect of such other Indebtedness or by virtue of the fact that holders of any secured Indebtedness have entered into intercreditor agreements giving one or more holders priority over other holders in the collateral held by them.

"Initial Public Offering" means an Equity Offering of common stock or other common equity interests of the Issuer or any Parent or any successor of the Issuer or any such Parent (the "IPO Entity") following which there is a Public Market and, as a result of which, the shares of common stock or other common equity interests of the IPO Entity in such offering are listed on an internationally recognized exchange or traded on an internationally recognized market.

"Intercreditor Agreements" means (a) from and including the Issue Date to the Super Senior Conversion Date, the Original Intercreditor Agreement and (b) from and including the Super Senior Conversion Date, the Super Senior Intercreditor Agreement.

"Investments" means, with respect to any Person, all direct or indirect investments by such Person in other Persons (including Affiliates) in the forms of loans (including Guarantees or other obligations), advances or capital contributions (excluding commission, travel and similar advances to directors, officers and employees made in the ordinary course of business), purchases or other acquisitions for consideration of Indebtedness, Equity Interests or other securities, together with all items that are or would be classified as investments on a balance sheet prepared in accordance with IFRS. If the Issuer or any Subsidiary of the Issuer sells or otherwise disposes of any Equity Interests of any direct or indirect Subsidiary of the Issuer such that, after giving effect to any such sale or disposition, such Person is no longer a Subsidiary of the Issuer, the Issuer will be deemed to have made an Investment on the date of any such sale or disposition equal to the Fair Market Value of the Issuer's Investments in such Subsidiary that were not sold or disposed of. Except as otherwise provided in the Indenture, the amount of an Investment will be determined at the time the Investment is made and without giving effect to subsequent changes in value. The amount of any Investment outstanding at any time shall be the original cost of such Investment, reduced (at the Issuer's option) by any dividend, distribution, interest payment, return of capital, repayment or other amount or value received in respect of such Investment; *provided,* that to the extent that the amount of Restricted Payments outstanding at any time pursuant to paragraph (a) of the covenant described under "*—Certain Covenants—Restricted Payments*" is so reduced by any portion of any such amount or value that would otherwise be included in the calculation of Consolidated Net Income, such portion of such amount or value shall not be so included for purposes of calculating the amount of Restricted Payments that may be made pursuant to paragraph (a) of the covenant described under "*—Certain Covenants—Restricted Payments*."

"IPO Market Capitalization" means an amount equal to (a) 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 (b) 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 February 10, 2022.

"July 2026 Senior Secured Notes" means the 3.750% Senior Secured Notes due 2026 issued on July 22, 2019.

"July 2027 Senior Subordinated Notes" means the 5.750% Senior Subordinated Notes due 2027 issued on July 22, 2019.

"Lavendon" means Lavendon Group Limited.

"Lien" means, with respect to any asset, any mortgage, lien, pledge, charge, security interest or encumbrance of any kind in respect of such asset, whether or not filed, recorded or otherwise perfected under applicable law, including any conditional sale or other title retention agreement, any lease in the nature thereof, any option or other agreement to sell or give a security interest in and any filing of or agreement to give any financing statement under the Uniform Commercial Code (or equivalent statutes) of any jurisdiction.

"Management Advances" means, loans or advances made to, or guarantees with respect to loans or advances made to, directors, officers, employees or consultants of the Issuer or any Restricted Subsidiary:

(1) in respect of travel, entertainment or moving related expenses Incurred in the ordinary course of business;

(2) in respect of moving related expenses Incurred in connection with any closing or consolidation of any facility or office; or

(3) (in the case of this clause (3)) in the ordinary course of business or consistent with past practice not to exceed €10.0 million in the aggregate at any one time outstanding.

"Market Capitalization" means an amount equal to (i) the total number of issued and outstanding shares of common stock or common equity interests of the IPO Entity on the date of the declaration of the relevant dividend or distribution or the making of the relevant loan or advance multiplied by (ii) the arithmetic mean of the closing prices per share of such common stock or common equity interests for the thirty (30) consecutive trading days immediately preceding the date of declaration of such dividend or distribution or the making of the relevant loan or advance.

"Moody's" means Moody's Investors Service, Inc. and any of its successors or assigns.

"Net Proceeds" means the aggregate cash proceeds received by the Issuer or any of its Restricted Subsidiaries in respect of any Asset Sale (including, without limitation, any cash received upon the sale or other disposition of any non-cash consideration received in any Asset Sale), net of the direct costs relating to such Asset Sale, including, without limitation, legal, accounting and investment banking fees, and sales commissions, and any relocation expenses Incurred as a result of the Asset Sale, taxes paid or payable as a result of the Asset Sale, in each case, after taking into account any available tax credits or deductions and any tax sharing arrangements and any reserve for adjustment in respect of the sale price of such asset or assets established in accordance with IFRS.

"Non-Recourse Debt" means Indebtedness as to which neither the Issuer nor any of its Restricted Subsidiaries (a) provides credit support of any kind (including any undertaking, agreement or instrument that would constitute Indebtedness), (b) is directly or indirectly liable as a guarantor or otherwise, or (c) constitutes the lender.

"Note Guarantee" means the Guarantee by each Guarantor of the Issuer's obligations under the Indenture and the Notes, executed pursuant to the provisions of the Indenture.

"Obligations" means any principal, interest, penalties, fees, indemnifications, reimbursements, damages and other liabilities payable under the documentation governing any Indebtedness.

"Listing prospectus" means the listing prospectus relating to the Notes dated March 11, 2022.

"Original Intercreditor Agreement" means that certain intercreditor agreement dated July 23, 2014 between the Issuer, Wilmington Trust, National Association, as trustee for the 2021 Senior Secured Notes, Wilmington Trust (London) Limited as security agent for the 2021 Senior Secured Notes, Natixis S.A. as senior agent and security agent for the lenders and the financial institutions listed therein as the lenders under the Revolving Credit Facility and as acceded to by the Trustee on or about the Issue Date, as amended, restated or otherwise modified or varied from time to time.

"Parent" means any Person of which the Issuer at any time is or becomes a Subsidiary after the Issue Date and any holding companies established by the Principals or any Related Party for purposes of holding its investment in any Parent.

"Pari Passu Indebtedness" means any Indebtedness of the Issuer or any Guarantor (other than Indebtedness that is a Guarantee of the Indebtedness of another Person and other than Indebtedness owed to the Issuer or a Restricted Subsidiary or an Affiliate of the Issuer) that is secured by a Lien on the Collateral that is *pari passu* (or deemed under the Intercreditor Agreements to be *pari passu*) with the Lien on the Collateral securing the Notes and that is not subordinated in right of payment to the Notes or any Note Guarantee. For the avoidance of doubt, Pari Passu Indebtedness includes the Existing Senior Secured Notes.

"Permitted Asset Swap" means the substantially concurrent purchase and sale or exchange of Related Business Assets or a combination of Related Business Assets and cash or Cash Equivalents between the Issuer or any of its Restricted Subsidiaries and another Person; *provided* that any cash or Cash Equivalents received in excess of the value of any Cash Equivalents sold or exchanged must be applied in accordance with the covenant described under "*—Certain Covenants—Asset Sales*."

"Permitted Business" means any business in which the Issuer and its Subsidiaries were engaged on the date of the Indenture, and any business incidental, reasonably related, complementary or ancillary thereto, or which is a reasonable extension thereof.

"Permitted Collateral Liens" means Liens on the Collateral:

(1) that are described in one or more of clauses (5), (8), (9), (10), (13), (14), (15), (16), (17), (18) and (19) of the definition of "Permitted Liens";

(2) to secure:

(i) (A) the Notes (excluding any Additional Notes) and (B) the Existing Senior Secured Notes outstanding on the Issue Date after giving effect to the Transactions, and, in the case of (A) and (B), any related guarantees and any "parallel debt" obligations under the Intercreditor Agreements, any Additional Intercreditor Agreement or the Security Documents;

(ii) Indebtedness permitted to be Incurred under the first paragraph of the covenant described above under the caption "*—Certain Covenants— Incurrence of Indebtedness and Issuance of Preferred Stock*;"

(iii) Indebtedness permitted to be Incurred under clause (1) of the second paragraph of the covenant described under the caption "*—Certain Covenants— Incurrence of Indebtedness and Issuance of Preferred Stock*," *provided* that Indebtedness permitted to be Incurred under clause (1)(x) of the second paragraph of the covenant described under the caption "*—Certain Covenants— Incurrence of Indebtedness and Issuance of Preferred Stock*" may have super senior priority status on and after the Super Senior Conversion Date;

(iv) Indebtedness permitted to be incurred under clause (9) of the second paragraph of the covenant described under the caption "*—Certain Covenants— Incurrence of Indebtedness and Issuance of Preferred Stock*," to the extent such guarantee is in respect of Indebtedness otherwise permitted to be secured and specified in another clause of this definition of Permitted Collateral Liens;

(v) Indebtedness permitted to be Incurred under clauses (4) (excluding Capital Lease Obligations), (14)(b), (17) and (19) of the second paragraph of the covenant described under the caption "*—Certain Covenants— Incurrence of Indebtedness and Issuance of Preferred Stock*;"

(vi) Indebtedness permitted to be Incurred under clause (8) of the second paragraph of the covenant described under the caption "*—Certain Covenants— Incurrence of Indebtedness and Issuance of Preferred Stock*," which Indebtedness may have super senior priority status on and after the Super Senior Conversion Date pursuant to the Intercreditor Agreement or any Additional Intercreditor Agreement;

(vii) Indebtedness secured on a junior priority basis to the Notes; and

(viii) any Permitted Refinancing Indebtedness in respect of Indebtedness referred to in the foregoing clauses (i) to (vii) and this clause (viii);

provided that each of the secured parties to any such Indebtedness (acting directly or through its respective creditor representative) will have entered into the Intercreditor Agreement or an Additional Intercreditor Agreement; *provided, further* that subject to the Agreed Security Principles, all property and assets (including, without limitation, the Collateral) of the Issuer or any Restricted Subsidiary securing such Indebtedness (including any guarantees thereof) or Permitted Refinancing Indebtedness secure the Notes (or any guarantee thereof) and this Indenture on a senior or pari passu basis. Permitted Collateral Liens shall rank (i) equal or junior to Liens securing the Notes (or any guarantee thereof) or (ii) junior to Liens to securing the Notes (or any guarantee thereof), if the Lien secures Subordinated Obligations, except that super senior status may be granted or Incurred with respect to Liens securing (including by application of payment order, turnover or equalization provisions substantially consistent with the corresponding provisions set forth in the Intercreditor Agreement or any Additional Intercreditor Agreement), except to the extent provided above.

For purposes of determining compliance with this definition, in the event that a Permitted Collateral Lien meets the criteria of one or more categories of Permitted Collateral Liens described above, the Issuer will be permitted to classify such Permitted Collateral Lien on the date of its Incurrence and reclassify such Permitted Collateral Lien at any time and in any manner that complies with this definition.

"Permitted Investments" means:

(1) any Investment in the Issuer or in a Restricted Subsidiary of the Issuer;

(2) any Investment in cash, Cash Equivalents or Government Guaranteed Securities;

(3) any Investment by the Issuer or any Restricted Subsidiary of the Issuer in a Person, if as a result of such Investment:

   (i) such Person becomes a Restricted Subsidiary of the Issuer; or

   (ii) such Person, in one transaction or a series of related transactions, is merged, consolidated or amalgamated with or into, or transfers or conveys substantially all of its assets to, or is liquidated into, the Issuer or a Restricted Subsidiary of the Issuer;

(4) any Investment made as a result of the receipt of non-cash consideration from an Asset Sale that was made pursuant to and in compliance with the covenant described above under the caption "—Repurchase at the Option of Holders—Asset Sales;"

(5) any acquisition of assets or Capital Stock solely in exchange for the issuance of Equity Interests (other than Disqualified Stock) of the Issuer;

(6) any Investments received: (i) in compromise or resolution of (A) obligations of trade creditors or customers that were Incurred in the ordinary course of business of the Issuer or any of its Restricted Subsidiaries, including pursuant to any plan of reorganization or similar arrangement upon the bankruptcy or insolvency of any trade creditor or customer, (B) litigation, arbitration or other disputes with Persons who are not Affiliates or (C) foreclosure, perfection or enforcement of any Lien; or (ii) as a result of foreclosure by the Issuer or any of its Restricted Subsidiaries with respect to any secured Investment or other transfer or title with respect to any secured Investment in default;

(7) lease, utility and workers' compensation, performance and other similar deposits made in the ordinary course of business;

(8) Investments represented by Hedging Obligations;

(9) Management Advances;

(10) repurchases of the Notes, including any Additional Notes issued pursuant to the Indenture, and any Pari Passu Indebtedness;

(11) Investments in receivables owing to the Issuer or any Restricted Subsidiary created or acquired in the ordinary course of business;

(12) (i) Investments acquired after the date of the Indenture as a result of the acquisition by the Issuer or any Restricted Subsidiary of another Person, including by way of a merger, amalgamation or consolidation with or into the Issuer or any of its Restricted Subsidiaries in a transaction that is not prohibited by the covenant described above under the caption "—Merger, Consolidation or Sale of Assets" to the extent that such Investments were not made in contemplation of such acquisition, merger, amalgamation or consolidation and were in existence on the date of such acquisition, merger, amalgamation or consolidation and (ii) Investments of a Restricted Subsidiary existing on the date such Person becomes a Restricted Subsidiary to the extent that such Investments were not made in contemplation of such Person becoming a Restricted Subsidiary;

(13) 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 (13) that are at the time outstanding not to exceed the greater of (i) 4.0% of Consolidated Total Assets of the Issuer or (ii) €227.0 million; 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 merged into or with the Issuer or a Restricted Subsidiary or is subsequently

designated a Restricted Subsidiary pursuant to the covenant described above under the caption "—Certain Covenants—Restricted Payments," such Investment shall thereafter be deemed to have been made pursuant to clause (1) or (3) of the definition of "Permitted Investments" and not this clause;

(14) any Investment existing on, or made pursuant to written agreements existing on, the date of the Indenture and any Investment that replaces, refinances or refunds an existing Investment (or an Investment made pursuant to binding written commitments in existence on the date of the Indenture); 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 date of the Indenture or (b) as otherwise permitted under the Indenture;

(15) Investments by the Issuer or a Restricted Subsidiary in an amount at any time outstanding not to exceed the greater of €340.0 million and 6.0% of Consolidated Total Assets of the Issuer in one or more joint ventures engaged in a Permitted Business; 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 merged with or into a Restricted Subsidiary of the Issuer or is subsequently designated a Restricted Subsidiary pursuant to the covenant described above under the caption "—Certain Covenants—Restricted Payments," such Investment shall thereafter be deemed to have been made pursuant to clause (1) or (3) of the definition of "Permitted Investments" and not this clause and provided that, to the extent any such Investment is in Equity Interests of such joint venture, the amount of the Investment deemed outstanding for the purposes of this clause (15) shall be equal to the proportionate share held by the Issuer or such Restricted Subsidiary, as the case may be, in the Fair Market Value of the net assets of such joint venture at the time of the Investment;

(16) guarantees of Indebtedness permitted to be Incurred by the Issuer or its Restricted Subsidiaries by the covenant described under "—Certain Covenants— Incurrence of Indebtedness and Issuance of Preferred Stock" and keepwells and similar arrangements not prohibited by the covenant described under "—Certain Covenants—Incurrence of Indebtedness and Issuance of Preferred Stock;" and

(17) Investments (a) arising in connection with a Qualified Securitization Financing or a Permitted Recourse Receivables Financing; and (b) constituting distributions or payments of Securitization Fees and purchases of Securitization Assets in connection with a Qualified Securitization Financing or Permitted Recourse Receivables Financing;

provided, *however,* that with respect to any Investment, the Issuer may in its sole discretion, allocate all or any portion of any Investment to one or more of the above clauses (1) through (17) so that the entire Investment would be a Permitted Investment.

"Permitted Liens" means:

(1) prior to the Super Senior Conversion Date, Liens on commercial receivables and movable equipment of the Issuer securing the Revolving Credit Facility or other Indebtedness that is Incurred pursuant to clause (1)(x) of the second paragraph of the covenant captioned "—*Incurrence of Indebtedness and Issuance of Preferred Stock*" and is designated as a Senior Lender Liability under the Original Intercreditor Agreement or assigned a substantially equivalent designation under any Additional Intercreditor Agreement;

(2) Liens in favor of the Issuer or any Restricted Subsidiary of the Issuer;

(3) Liens on property (including Capital Stock) of a Person existing at the time such Person becomes a Restricted Subsidiary of the Issuer or is merged with or into or consolidated with the Issuer or any Restricted Subsidiary of the Issuer; *provided* that such Liens were in existence prior to the contemplation of such Person becoming a Restricted Subsidiary of the Issuer or such merger or consolidation and do not extend to any assets other than those of the Person that becomes a Restricted Subsidiary or is merged into or consolidated with the Issuer or the Subsidiary (plus improvements, accessions, proceeds or dividends or distributions in respect thereof);

(4) Liens on property or assets (including Capital Stock) existing at the time of acquisition of the property or assets by the Issuer or any Subsidiary of the Issuer (plus improvements, accessions, proceeds or dividends or distributions in respect thereof); *provided* that such Liens were in existence prior to, such acquisition, and not Incurred in contemplation of, such acquisition;

(5) Liens or deposits to secure the performance of tenders, bids, statutory or regulatory obligations, surety, appeal, indemnity or performance bonds, letters of credit, banker's acceptances, warranty, contractual, netting or set-off requirements or other obligations of a like nature Incurred in the ordinary course of business (including Liens to secure letters of credit issued to assure payment of such obligations);

(6) Liens to secure Productive Asset Financings permitted by clause (4) of the second paragraph of the covenant entitled "*—Certain Covenants—Incurrence of Indebtedness and Issuance of Preferred Stock*" and Liens to secure Productive Asset Financings, to the extent limited to tangible fixed assets, otherwise permitted to be Incurred pursuant to the covenant entitled "*—Certain Covenants—Incurrence of Indebtedness and Issuance of Preferred Stock*", in each case, covering only the assets acquired with or financed or refinanced by, directly or indirectly, such Productive Asset Financings;

(7) Liens existing on the date of the Indenture or provided for under written arrangements existing on the date of the Indenture;

(8) Liens for taxes, assessments or governmental charges or claims that are not yet delinquent or that are being contested in good faith by appropriate proceedings or the non-payment of which in the aggregate would not reasonably be expected to have a material adverse effect on the Issuer and its Restricted Subsidiaries; *provided* that any reserve or other appropriate provision as is required in conformity with IFRS has been made therefor;

(9) Liens imposed by law, such as carriers', warehousemen's, landlord's, lessors', suppliers', banks', repairmen's and mechanics' Liens and Liens of landlords securing obligations to pay lease payments that are not yet due and payable or in default, in each case, Incurred in the ordinary course of business;

(10) encumbrances, ground leases, survey exceptions, easements or reservations (including severances, leases or reservations of oil, gas, coal, minerals or water rights) of, or rights of others for, licenses, rights-of-way, sewers, electric lines, telegraph and telephone lines and other similar purposes, or zoning, building codes or other restrictions as to the use of real property or title defects that were not Incurred in connection with Indebtedness and that do not in the aggregate materially adversely affect the value of said properties (as such properties are used by the Issuer and its Subsidiaries) or materially impair their use in the operation of the business of the Issuer and its Subsidiaries;

(11) Liens securing Indebtedness under Hedging Obligations, which obligations are permitted by clause (8) of the second paragraph of the covenant described above under the caption "*—Certain Covenants— Incurrence of Indebtedness and Issuance of Preferred Stock*;"

(12) Liens to secure any Permitted Refinancing Indebtedness permitted to be Incurred under the Indenture; *provided, however*, that:

  (i) the new Lien shall be limited to all or part of the same property and assets that secured or, under the written agreements pursuant to which the original Lien arose, could secure the original Lien (plus improvements and accessions to, such property or proceeds or distributions thereof); and

  (ii) the Indebtedness secured by the new Lien is not increased to any amount greater than the sum of (x) the outstanding principal amount, or, if greater, committed amount, of the Permitted Refinancing Indebtedness and (y) an amount necessary to pay any fees and expenses, including premiums, related to such renewal, refunding, refinancing, replacement, defeasance or discharge;

(13) Liens on cash, Cash Equivalents or other property arising in connection with the defeasance, discharge or redemption of Indebtedness;

(14) 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;

(15) leases, licenses, subleases and sublicenses of assets or property (including intellectual property) in the ordinary course of business;

(16) Liens arising out of conditional sale, title retention, extended title retention, consignment or similar arrangements for the sale of assets entered into in the ordinary course of business;

(17) (a) mortgages, liens, security interests, restrictions, encumbrances or any other matters of record that have been placed by any developer, landlord or other third party on property over which the Issuer or any Restricted Subsidiary has easement rights or on any real property leased by the Issuer or any Restricted Subsidiary and subordination or similar agreements relating thereto and (b) any condemnation or eminent domain proceedings or compulsory purchase order affecting real property;

(18) 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;

(19) 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;

(20) Liens, *provided* that the maximum amount of Indebtedness secured in the aggregate at any one time pursuant to this clause (20) does not exceed the greater of €309.0 million and 40.0% of the Consolidated Cash Flow of the Issuer;

(21) Liens on (i) escrowed proceeds and related escrow accounts for the benefit of related holders of debt securities or other Indebtedness (or the underwriters, arrangers or trustees (including the Trustee) thereof), (ii) on cash set aside at the time of the Incurrence of any Indebtedness or government securities purchased with such cash, in either case to the extent such cash or government securities prefund the payment of interest on such Indebtedness and are held in an escrow account or similar arrangement to be applied for such purpose, or (iii) on any guarantee or backstop commitment relating to any escrow shortfall;

(22) Liens on assets or property of any direct or indirect Restricted Subsidiary of the Issuer that is not a Guarantor securing Indebtedness of any direct or indirect Restricted Subsidiary of the Issuer that is not a Guarantor permitted by the covenant described under "*—Certain Covenants—Incurrence of Indebtedness and Issuance of Preferred Stock*;"

(23) Liens arising in connection with a Qualified Securitization Financing or a Permitted Recourse Receivables Financing; and

(24) any amendment, modification, extension, renewal, refinancing or replacement, in whole or in part, of any Lien described in the foregoing clauses (1) through (23).

In the event that a Permitted Lien meets the criteria of more than one of the types of Permitted Liens (at the time of Incurrence or at a later date), the Issuer in its sole discretion may divide, classify or from time to time reclassify all or any portion of such Permitted Lien in any manner that complies with the Indenture and such Permitted Lien shall be treated as having been made pursuant only to the clause or clauses of the definition of "Permitted Liens" to which such Permitted Lien has been classified or reclassified.

"Permitted Recourse Receivables Financing" means any financing other than a Qualified Securitization Financing pursuant to which the Issuer or any of its Restricted Subsidiaries may sell, convey or otherwise transfer to any other Person, or grant a security interest in, any Securitization Assets (and related assets) of the Issuer or any of its Restricted Subsidiaries in an aggregate principal amount equal to the Fair Market Value of such Securitization Assets (and related assets); *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 Issuer's Board of Directors or senior management) at the time such financing is entered into and (b) the interest rate applicable to such financing shall be a market interest rate (as determined in good faith by the Issuer's Board of Directors or senior management) at the time such financing is entered into.

"Permitted Refinancing Indebtedness" means any Indebtedness of the Issuer or any of its Restricted Subsidiaries issued in exchange for, or the net proceeds of which are used to extend, renew, refund, refinance, replace, defease or discharge other Indebtedness of the Issuer or any of its Restricted Subsidiaries (other than intercompany Indebtedness) (including any other Permitted Refinancing Indebtedness); *provided* that:

(1) the principal amount (or accreted value, if applicable) of such Permitted Refinancing Indebtedness does not exceed the principal amount (or accreted value, if applicable) of the Indebtedness extended, renewed, refunded, refinanced, replaced, defeased or discharged (which, for the avoidance of doubt, may include Indebtedness under one or more separate agreements or instruments that will be refinanced with a single agreement or instrument, as well as Indebtedness under a single agreement or instrument that will be refinanced with multiple separate agreements or instruments), plus an amount equal to any unutilized commitment that has been designated a Reserved Indebtedness Amount relating to the Indebtedness being refinanced or otherwise then outstanding under a Credit Facility or other financing arrangement being refinanced immediately prior to such refinancing, plus any accrued interest and any premium required to be paid on the Indebtedness and the amount of all fees and expenses, including premiums, Incurred in connection therewith;

(2) such Permitted Refinancing Indebtedness (a) has a final maturity date (i) later than the final maturity date of the Indebtedness being renewed, refunded, refinanced, replaced, defeased or discharged or (ii) after the final maturity date of the Notes and (b) has a Weighted Average Life to Maturity equal to or greater than the Weighted Average Life to Maturity of, the Indebtedness being renewed, refunded, refinanced, replaced, defeased or discharged or, alternatively, a final maturity date that is later than the final Stated Maturity of the Notes;

(3) if the Indebtedness being extended, renewed, refunded, refinanced, replaced, defeased or discharged is subordinated in right of payment to the Notes, such Permitted Refinancing Indebtedness is subordinated in right of payment to the Notes on terms at least as favorable to the Holders of Notes as those contained in the documentation governing the Indebtedness being extended, renewed, refunded, refinanced, replaced, defeased or discharged; and

(4) such Indebtedness is Incurred by the Issuer or a Guarantor if the Issuer or a Guarantor is the obligor on the Indebtedness being extended, renewed, refunded, refinanced, replaced, defeased or discharged.

Permitted Refinancing Indebtedness in respect of any Credit Facility may be Incurred from time to time at or after the termination, discharge or repayment of any such Credit Facility or other Indebtedness.

"Person" means any individual, corporation, partnership, joint venture, association, joint-stock company, trust, unincorporated organization, limited liability company or government or other entity.

"Principals" means Mr. Gérard Déprez and his estate, spouse, siblings, ancestors, heirs and lineal descendants, and spouses of any such Persons, the legal representatives of any of the foregoing, and the trustee of any bona fide trust of which one or more of the foregoing are the principal beneficiaries or the grantors or any other Person that is controlled by any of the foregoing.

"Public Market" means any time after:

(1) an Equity Offering has been consummated; and

(2) at least 20% of the total issued and outstanding shares of common equity interests of the IPO Entity has been distributed to investors (other than the Principals and their Related Parties).

"Qualified Securitization Financing" means any financing pursuant to which the Issuer or any of its Restricted Subsidiaries may sell, convey or otherwise transfer to any other Person, or grant a security interest in, any Securitization Assets (and related assets) of the Issuer or any of its Restricted Subsidiaries in an aggregate principal amount equal to the Fair Market Value of such Securitization Assets (and related assets); *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 Issuer's Board of Directors or senior management) at the time such financing is entered into, (b) the interest rate applicable to such financing shall be a market interest rate (as determined in good faith by the Issuer's Board of Directors or senior management) at the time such financing is entered into and (c) such financing shall be non-recourse to the Issuer or any of its Restricted Subsidiaries except to a limited extent customary for such transactions.

"Transactions" shall have the meaning given that term in the Listing prospectus.

"Related Business Assets" means assets (other than cash or Cash Equivalents) used or useful in a Permitted Business; *provided* that any assets received by the Issuer or a Restricted Subsidiary in exchange for assets transferred by the Issuer or a Restricted Subsidiary will not be deemed to be Related Business Assets if they consist of securities of a Person, unless upon receipt of the securities of such Person, such Person would become a Restricted Subsidiary.

"Related Party" means:

(1) any controlling stockholder, Subsidiary, or immediate family member (in the case of an individual) of any Principal; or

(2) any trust, corporation, partnership, limited liability company or other entity, the beneficiaries, stockholders, partners, members, owners or Persons beneficially holding a controlling interest of which consist of any one or more Principals and/or such other Persons referred to in the immediately preceding clause (1).

"Reserved Indebtedness Amount" has the meaning set forth in the covenant described under "*—Certain Covenants—Incurrence of Indebtedness and Issuance of Preferred Stock*."

"Restricted Investment" means an Investment other than a Permitted Investment.

"Restricted Subsidiary" of a Person means any Subsidiary of the referent Person that is not an Unrestricted Subsidiary.

"Revolving Credit Facility" means the senior secured revolving credit facility made available under the Revolving Credit Facility Agreement.

"Revolving Credit Facility Agreement" means the senior secured revolving credit facility agreement dated July 29, 2021 entered into by, among others, the Issuer and Natixis, as agent and security agent, as amended, restated, modified, renewed, refunded, replaced or refinanced in whole or in part from time to time (and whether or not with the original administrative agent and lenders or another administrative agent or agents or other lenders and whether provided under the original credit facilities agreement or any other credit or other agreement or indenture).

"S&P" means Standard & Poor's Ratings Group and any of its successors or assigns.

"Securitization Asset" means (1) any accounts receivable, mortgage receivables, loan receivables, royalty, franchise fee, license fee, patent, rent or other revenue streams and other rights to payment or related assets and the proceeds thereof and (2) all collateral securing such receivable or asset, all contracts and contract rights, guarantees or other obligations in respect of such receivable or asset, lockbox accounts and records with respect to such account or asset and any other assets customarily transferred (or in respect of which security interests are customarily granted) together with accounts or assets in connection with a securitization, factoring or receivable sale transaction.

"Securitization Fees" means distributions or payments made directly or by means of discounts with respect to any Securitization Asset or participation interest therein issued or sold in connection with, and other fees and expenses (including reasonable fees and expenses of legal counsel) paid in connection with, any Qualified Securitization Financing or Permitted Recourse Receivables Financing.

"Securitization Repurchase Obligation" means any obligation of a seller of or grantor of security interests in Securitization Assets to repurchase or otherwise make payments with respect to 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 portion thereof becoming subject to any asserted defense, dispute, offset or counterclaim of any kind as a result of any action taken by, any failure to take action by or any other event relating to the seller.

"Security Agent" means Wilmington Trust (London) Limited, until a successor replaces it in accordance with the applicable provisions of the Indenture, the Intercreditor Agreements or any Additional Intercreditor Agreement and thereafter means the successor thereof.

"Security Documents" means the trademark and share pledges under French law, the Lien granted over the Capital Stock of Lavendon under English law, the Lien granted over the capital stock of Ramirent Ltd and any other instrument and document executed and delivered pursuant to the Indenture or otherwise or any of the foregoing, as the same may be amended, supplemented or otherwise modified from time to time and pursuant to which the Collateral is pledged, assigned or granted to or on behalf of the Security Agent for the benefit of the Holders of the Notes or in its capacity as a parallel debt creditor (as applicable) or notice of such pledge, assignment or grant is given.

"Senior Secured Debt" means all secured Indebtedness of the Issuer or a Guarantor (including, without limitation, the Revolving Credit Facility, the Notes and the Existing Senior Secured Notes outstanding on the Issue Date after giving effect to the Transactions) and any Indebtedness of any Restricted Subsidiary that is not a Guarantor permitted to be Incurred under the terms of the Indenture (excluding Permitted Debt Incurred under clauses (6), (7), (8), (9), (11), (12) and (13) thereof).

Notwithstanding anything to the contrary in the preceding, Senior Secured Debt will not include:

(1) any liability for federal, state, local or other taxes owed or owing by the Issuer or any of its Restricted Subsidiaries;

(2) any trade payables;

(3) Indebtedness which is classified as non-recourse in accordance with IFRS or any unsecured claim arising in respect thereof by reason of the application of any relevant bankruptcy or insolvency law, rule or regulation; and

(4) the Senior Subordinated Notes.

"Senior Subordinated Notes" means the 2025 Senior Subordinated Notes, the April 2027 Senior Subordinated Notes and the July 2027 Senior Subordinated Notes, collectively.

"Significant Subsidiary" means any Subsidiary that together with its Subsidiaries which are Restricted Subsidiaries (i) for the most recent fiscal year, accounted for more than 10% of the consolidated revenues of the Issuer or (ii) as of the end of the most recent fiscal year, was the owner of more than 10% of the consolidated assets of the Issuer.

"Stated Maturity" means, with respect to any installment of interest or principal on any series of Indebtedness, the date on which the payment of interest or principal was scheduled to be paid in the documentation governing such Indebtedness as of the date of the Indenture, and will not include any contingent obligations to repay, redeem or repurchase any such interest or principal prior to the date originally scheduled for the payment thereof.

"Subordinated Obligations" means any Indebtedness (whether outstanding on the date of the Indenture or thereafter Incurred) that is subordinated or junior in right of payment to the Notes.

"Subordinated Shareholder Debt" means, collectively, any funds provided to the Issuer by an Affiliate of the Parent or the Parent in exchange for or pursuant to any security, instrument or agreement other than Capital Stock, together with any such security, instrument or agreement and any other security or instrument other than Capital Stock issued in payment of any obligation under any Subordinated Shareholder Debt; *provided, however,* that such Subordinated Shareholder Debt:

(1) does not (including upon the happening of any event) mature or require any amortization, redemption or other repayment of principal or any sinking fund payment prior to the first anniversary of the Stated Maturity of the Notes (other than through conversion or exchange of such funding into Capital Stock (other than Disqualified Stock) of the Issuer or any funding meeting the requirements of this definition);

(2) does not (including upon the happening of any event) require, prior to the first anniversary of the Stated Maturity of the Notes, payment of cash interest, cash withholding amounts or other cash gross-ups, or any similar cash amounts;

(3) contains no change of control or similar provisions and does not (including upon the happening of any event) accelerate and has no right (including upon the happening of any event) to declare a default or event of default or take any enforcement action or otherwise require any cash payment, in each case, prior to the first anniversary of the Stated Maturity of the Notes;

(4) does not provide for or require any security interest or encumbrance over any asset of the Issuer or any of its Restricted Subsidiaries and is not guaranteed by any Restricted Subsidiary of the Issuer;

(5) pursuant to its terms, is subordinated in right of payment to the prior payment in full in cash of the Notes and the Note Guarantees in the event of any default, bankruptcy, reorganization, liquidation, winding up or other disposition of assets of the Issuer;

(6) does not (including upon the happening of any event) restrict the payment of amounts due in respect of the Notes or the Note Guarantees or compliance by the Issuer with its obligations under the Indenture;

(7) does not (including upon the happening of an event) constitute Voting Stock; and

(8) is not (including upon the happening of any event) mandatorily convertible or exchangeable, or convertible or exchangeable at the option of the holder thereof; in whole or in part, prior to the date on which the Notes mature, other than into or for Capital Stock (other than Disqualified Stock) of the Issuer.

"Subsidiary" means, with respect to any specified Person:

(1) any corporation, association or other business entity of which more than 50% of the total voting power of shares of Capital Stock entitled (without regard to the occurrence of any contingency and after giving effect to any voting agreement or stockholders' agreement that effectively transfers voting power) 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

(2) any partnership (a) the sole general partner or the managing general partner of which is such Person or a Subsidiary of such Person or (b) the only general partners of which are that Person or one or more Subsidiaries of that Person (or any combination thereof).

"Super Senior Conversion Date" means the date on which the Super Senior Intercreditor Agreement is entered into by all parties thereto.

"Unrestricted Subsidiary" means any Subsidiary of the Issuer that is designated by the Board of Directors of the Issuer as an Unrestricted Subsidiary pursuant to a resolution of the Board of Directors, but only to the extent that such Subsidiary:

(1) has no Indebtedness other than Non-Recourse Debt;

(2) except as permitted by the covenant described above under the caption "—Certain Covenants—Transactions with Affiliates," is not party to any agreement, contract, arrangement or understanding with the Issuer or any Restricted Subsidiary of the Issuer unless the terms of any such agreement, contract, arrangement or understanding are no less favorable to the Issuer or such Restricted Subsidiary than those that might be obtained at the time from Persons who are not Affiliates of the Issuer;

(3) is a Person with respect to which neither the Issuer nor any of its Restricted Subsidiaries has any direct or indirect obligation (a) to subscribe for additional Equity Interests or (b) to maintain or preserve such Person's financial condition or to cause such Person to achieve any specified levels of operating results; and

(4) has not guaranteed or otherwise directly or indirectly provided credit support for any Indebtedness of the Issuer or any of its Restricted Subsidiaries.

except (i) that the Issuer or any Restricted Subsidiaries may pledge Equity Interests or Indebtedness of an Unrestricted Subsidiary on a non-recourse basis as long as the pledge has no claim whatsoever against the Issuer, Guarantor or any Restricted Subsidiary other than to obtain such pledged property and (ii) to the extent that Indebtedness of the Issuer or any Restricted Subsidiary was permitted to be Incurred under "*—Certain Covenants—Incurrence of Indebtedness and Issuance of Preferred Stock*."

"U.S. Exchange Act" means the U.S. Securities Exchange Act of 1934, as amended.

"U.S. Securities Act" means the U.S. Securities Act of 1933, as amended.

"Voting Stock" of any specified Person as of any date means the Capital Stock of such Person that is at the time entitled to vote in the election of the Board of Directors of such Person.

"Weighted Average Life to Maturity" means, when applied to any Indebtedness at any date, the number of years obtained by dividing:

(1) the sum of the products obtained by multiplying (a) 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 Indebtedness, by (b) the number of years (calculated to the nearest one-twelfth) that will elapse between such date and the making of such payment; by

(2) the then outstanding principal amount of such Indebtedness.

BOOK-ENTRY, DELIVERY AND FORM

General

Notes sold within the United States to qualified institutional buyers in reliance on Rule 144A under the Securities Act will initially be represented by one or more global notes in registered form without interest coupons attached (the "**Rule 144A Global Notes**"). Notes sold to non-U.S. persons 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 Rule 144A Global Notes, the "**Global Notes**"). On the date the Notes are delivered in book-entry form, as set forth on the cover page of this listing prospectus, the Global Notes will be deposited with, or on behalf of, a common depositary (the "**Common Depositary**") for the accounts of Euroclear Bank SA/NV, as operator of the Euroclear system ("**Euroclear**"), and Clearstream Banking S.A. ("**Clearstream**") and registered in the name of the Common Depositary or its nominee.

Ownership of interests in the Rule 144A Global Notes (the "**Rule 144A Book-Entry Interests**") and ownership of interests in the Regulation S Global Notes (the "**Regulation S Book-Entry Interests**" and, together with the Rule 144A Book-Entry Interests, the "**Book-Entry Interests**") will be limited to persons that have accounts with Euroclear and/or Clearstream or persons that may hold interests through such participants or otherwise in accordance with applicable transfer restrictions set out in the Indenture 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. The Book Entry Interests in the Notes will be issued only in denominations of €100,000 and in integral multiples of €1,000 in excess thereof.

Except as set forth below under "—*Issuance of 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 certified 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 interest 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 "holders" of Notes under the Indenture for any purpose.

So long as the Notes are held in global form, the common depositary for Euroclear and /or Clearstream (or its nominees, as applicable) will be considered the sole holder of Global Notes, and "holders" of Book-Entry Interests will not be considered the owners or "holders" of Notes for any purpose. As such, participants must rely on the procedures of Euroclear and Clearstream, as applicable, and indirect participants must rely on the procedures of the participants through which they own Book-Entry Interests in order to transfer their interests in the Notes or to exercise any rights of holders under the Indenture.

None of the Issuer, the Guarantors, the Trustee, Paying Agent, Transfer Agent or Registrar or any of their respective agents will have any responsibility or be liable for any aspect of the records relating to the Book-Entry Interests.

Issuance of Definitive Registered Notes

Under the terms of the Indenture, to the extent permitted by Euroclear and/or Clearstream, owners of Book-Entry Interests will receive definitive notes in registered form without coupons ("**Definitive Registered Notes**"):

- if the common depositary for Euroclear and/or Clearstream notifies the Issuer that it is unwilling or unable to continue as the common depositary for the Global Notes and a successor depositary is not appointed by the Issuer in 120 days;

- if the Issuer, at its option, notifies the Trustee and the Paying Agent in writing that it elects to exchange in whole, but not in part, the Global Note for Definitive Registered Notes,

- if Euroclear or Clearstream so requests following an event of default under the Indenture, or
- if the owner of a Book-Entry Interest requests such exchange in writing delivered through either Euroclear or Clearstream, as applicable, following an event of default under the Indenture.
- if an Event of Default has occurred and is continuing with respect to the Notes and enforcement action in respect thereof is being taken under the Indenture; or
- if the issuance of such Definitive Registered Notes is necessary in order for a holder or beneficial owner to present its Note or Notes to a paying agent in order to avoid any tax that is imposed on or with respect to a payment made to such holder or beneficial owner.

In such an event, the Registrar will issue Definitive Registered Notes, registered in the name or names of the owner and issued in any approved denominations, requested by or on behalf of Euroclear, Clearstream, of the Issuer, as applicable (in accordance with their respective customary procedures and based upon directions received from participants reflecting the beneficial ownership of Book-Entry Interests), and such Definitive Registered Notes will bear the restrictive legend referred to in "*Notice to Investors*," unless that legend is not required by the Indenture or applicable law.

In the case of the issuance of Definitive Registered Notes, payment of principal of, and premium, if any, and interest on the Notes shall be payable at the place of payment designated by the Issuer pursuant to the Indenture; provided that, at the Issuer's option, payment of interest on a Note may be made by check mailed to the person entitled thereto at such address as shall appear on the note register.

If Definitive Registered Notes are issued and a holder thereof claims that such Definitive Registered Note has been lost, destroyed or wrongfully taken, or if such Definitive Registered Note is mutilated and is surrendered to the Registrar or at the office of a transfer agent, the Issuer will issue and the Trustee or an authenticating agent will authenticate a replacement Definitive Registered Note if the Trustee's and the Issuer's requirements are met. The Issuer or the Trustee may require a holder requesting replacement of a Definitive Registered Note to furnish an indemnity bond sufficient in the judgment of both to protect ourselves, the Trustee, the Registrar the Paying Agent or the Transfer Agent appointed pursuant to the Indenture from any loss which any of them may suffer if a Definitive Registered Note is replaced. The Issuer may charge for any expenses incurred by it in replacing a Definitive Registered Note.

In case any such mutilated, destroyed, lost or stolen Definitive Registered Note has become or is about to become due and payable, or is about to be redeemed or purchased by the Issuer pursuant to the provisions of the Indenture, the Issuer, in its discretion, may, instead of issuing a new Definitive Registered Note, pay, redeem or purchase such Definitive Registered Note, as the case may be.

So long as the Notes are listed on the Luxembourg Stock Exchange and the rules of such exchange so require, we will publish a notice of any issuance of Definitive Registered Notes in a daily leading newspaper having general circulation in Luxembourg (which we expect to be the *Luxemburger Wort*) or on the website of the Luxembourg Stock Exchange.

To the extent permitted by law, the Issuer, the Trustee, the Paying Agent, the Transfer Agent and the Registrar, or any of their respective agents, shall be entitled to treat the registered holder of any Global Note as the absolute owner thereof and no person will be liable for treating the registered holder as such.

We will not impose any fees or other charges in respect of the Notes, however, owners of the Book-Entry Interests may incur fees normally payable in respect of the maintenance and operation of accounts in Euroclear and/or Clearstream, as applicable.

Redemption of Global Notes

In the event any Global Note, or any portion thereof, is redeemed, the Common Depositary will distribute the amount received by it in respect of the Global Note so redeemed to Euroclear and/or Clearstream, as applicable, who will distribute such amount to the holders of the Book-Entry Interests in such Global Note from the amount received by it in respect of the redemption of such Global Note. The Common Depositary will surrender such Global Note to the Paying Agent for a cancellation or, in the case of a partial redemption, the Common Depositary will request the Paying Agent to markdown, endorse and return the applicable Global Note to reflect the reduction in the principal amount of such Global Note as a result of such partial redemption. The redemption price payable in connection with the redemption of such Book-Entry Interests will be equal to the amount received by the Common Depositary, Euroclear or Clearstream, as applicable, in connection with the redemption of such Global Note (or any portion thereof). We 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 on such other basis as they deem fair and appropriate, *provided, however*, that, subject to applicable procedures of Euroclear and Clearstream, no Book-Entry Interest of less than €100,000 principal amount at maturity, or less, may be redeemed in part.

Payments on Global Notes

Payments of any amounts owing in respect of the Global Notes (including principal, premium, if any, interest, additional interest and additional amounts, if any) will be made by the Issuer in euro to the Paying Agent. The paying agent will, in turn, make such payments to the Common Depositary for Euroclear and Clearstream, which will distribute such payments to participants in accordance with their procedures. We will make payments of all such amounts without deduction or withholding for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature, except as may be required by law and as described under "*Description of the Notes—Additional Amounts*."

Under the terms of the Indenture, the Issuer, the Trustee, the Registrar, the Paying Agent, the Transfer Agent and any of our or their respective agents will treat the registered holders of the Global Notes (i.e., the nominee for the Common Depositary of Euroclear or Clearstream) as the owner thereof for the purpose of receiving payments and for all other purposes. Consequently, none of the Issuer, the Guarantors, the Trustee, the Paying Agent, the Transfer Agent, the Registrar or any of their respective agents has or will have any responsibility or liability for:

- any aspect of the records of Euroclear, Clearstream or any participant or indirect participant relating to payments made on account of a Book-Entry Interest, for any such payments made by Euroclear, Clearstream or any participant or indirect participants, or for maintaining, supervising or reviewing any of the records of Euroclear, Clearstream or any participant or indirect participant relating to 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

- the records of the common depositary.

Payments by participants to owners of Book-Entry Interests held through participants are the responsibility of such participants, as is now the case with securities held for the accounts of subscribers registered in "street name."

Currency of Payment for the Global Note

The principal of, premium, if any, and interest on, and all other amounts payable in respect of, the Global Note, will be paid to holders of interests in such Notes through Euroclear and/or Clearstream, as applicable, in euros.

Payments will be subject in all cases to any fiscal or other laws and regulations (including any regulations of the applicable clearing system) applicable thereto, Neither the Issuer nor the Trustee nor the initial purchasers nor any of their respective agents will be liable to any holder of a Global Note or any other person for any commissions, costs, losses or expenses in relation to or resulting from any currency conversion or rounding effected in connection with any such payment.

Action by Owners of Book-Entry Interests

Euroclear and Clearstream have advised the Issuer that they will take any action permitted to be taken by a holder of 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. If there is an Event of Default under the Indenture, however, 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 and Clearstream will be effected in accordance with Euroclear and Clearstream's rules and will be settled in immediately available funds.

The Global Notes will bear a legend to the effect set forth under "*Notice to Investors*" Book-Entry Interests in the Global Notes will be subject to the restrictions on transfer discussed under "*Notice to Investors*."

Book-Entry Interests in the Rule 144A Global Note may be transferred to a person who takes delivery in the form of Book-Entry Interests in the Regulation S Global Note only upon delivery by the transferor of a written certification (in the forms provided in the Indenture) to the effect that such transfer is being made in accordance with Regulation S under the Securities Act or Rule 144A or any other exemption (if available). See "*Notice to Investors*."

Subject to the foregoing, Book-Entry Interests in the Regulation S Global Note may be transferred to a person who takes delivery in the form of Book-Entry Interests in the Rule 144A Global Note only upon delivery by the transferor of a written certification (in the form provided in the Indenture) to the effect that such transfer is being made to a person who the transferor reasonably believes is a "qualified institutional buyer" within the meaning of Rule 144A in a transaction meeting the requirements of Rule 144A or otherwise in accordance with the transfer restrictions described under "*Notice to Investors*," and in accordance with any applicable securities laws of any state of the United States or any other relevant jurisdiction.

Subject to the foregoing, and as set forth in "*Notice to Investors*," Book-Entry Interests may be transferred and exchanged as described under the Indenture. Any Book-Entry Interest in a Global Note that is transferred to a person who takes delivery in the form of a Book-Entry Interest in another 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 the other Global Note and, accordingly, will thereafter be subject to all transfer restrictions, if any, and other procedures applicable to Book-Entry Interests in such other Global Note for as long as it retains such a Book-Entry Interest.

In the case of the issuance of Definitive Registered Notes, the holder of a Definitive Registered Note may transfer such Note by surrendering it to the Registrar. In the event of a partial transfer or a partial redemption of a holding of Definitive Registered Notes represented by one Definitive Registered Note, a Definitive Registered Note will be issued to the transferee in respect of the part transferred and a new Definitive Registered Note in respect of the balance of the holding not transferred or redeemed will be issued to the transferor or the holder, as applicable; provided that no Definitive Registered Note in a denomination less than €100,000 will be issued. The Issuer will bear the cost of preparing, printing, packaging and delivering the Definitive Registered Notes.

Global Clearance and Settlement under the Book-Entry System

The Notes represented by the Global Notes are expected to be listed on the Official List of the Luxembourg Stock Exchange and admitted for trading on the Euro MTF market of the Luxembourg Stock Exchange. Transfers of interests in the Global Notes between participants in Euroclear or Clearstream will be effected in the ordinary way in accordance with their respective system's rules and operating procedures.

Although Euroclear and Clearstream currently follow the foregoing procedures in order to facilitate transfers of interests in the Global Notes among participants in Euroclear or Clearstream, they are under no obligation to perform or continue to perform such procedures, and such procedures may be discontinued or modified at any time. None of the Issuer, the Guarantors, the initial purchaser, the Trustee, the Registrar, the Transfer Agent or the Paying Agent, or any of their respective agents, will have any responsibility for the performance by Euroclear, Clearstream or their participants or indirect participants of their respective obligations under the rules and procedures governing their operations.

Initial settlement

Initial settlement for the Notes will be made in euros. 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 purchaser determines the place of delivery, it is important to establish at the time of trading of any Book-Entry Interests where both the purchaser's and seller's accounts are located to ensure that settlement can be made on the desired value date.

Special Timing Considerations

You should be aware that investors will only be able to make and receive deliveries, payments and other communications involving the Notes through Euroclear or Clearstream on days when those systems are open for business.

Information Concerning Euroclear and Clearstream

All Book-Entry Interests will be subject to the operations and procedures of Euroclear and Clearstream, as applicable. We have provided the following summaries of those operations and procedures solely for the convenience of investors. The operations and procedures of the settlement system are controlled by the settlement system and may be changed at any time.

We understand as follows with respect to Euroclear and Clearstream: Euroclear and Clearstream hold securities for participating organizations. They facilitate the clearance and settlement of securities transactions between their participants through electronic book-entry changes in accounts of such participants. Euroclear and Clearstream provide various services to their participants, including the safekeeping, administration, clearance, settlement, lending and borrowing of internationally traded securities. Euroclear and Clearstream interface with domestic securities markets. Euroclear and Clearstream participants are financial institutions such as underwriters, securities brokers and dealers, banks, trust companies and certain other organizations. Indirect access to Euroclear and Clearstream is also available to others such as banks, brokers, dealers and trust companies that clear through or maintain a custodial relationship with a Euroclear and Clearstream participant, either directly or indirectly.

Although the foregoing sets out the procedures of Euroclear and Clearstream in order to facilitate the original issue and subsequent transfers of interests in the Notes among participants of Euroclear and Clearstream, neither Euroclear nor Clearstream is under any obligation to perform or continue to perform such procedures, and such procedures may be discontinued at any time.

None of the Issuer, the Guarantors, the Trustee, the Paying Agent, the Transfer Agent, the Registrar, the initial purchasers or any of their respective agents will have responsibility for the performance of Euroclear or Clearstream or their respective participants of their respective obligations under the rules and procedures governing their operations, including, without limitation, rules and procedures relating to Book-Entry Interests.

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 and/or Clearstream system, or otherwise take actions in respect of such interest, may be limited by the lack of a definitive 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 persons may be limited. In addition, owners of beneficial interests through the Euroclear or Clearstream systems will receive distributions attributable to the Rule 144A Global Notes only through Euroclear or Clearstream participants.

TAXATION

If you are a prospective investor, you should consult your tax advisor as to the possible tax consequences of purchasing, holding or selling any Notes under the laws of your country of citizenship, residence or domicile, including the effect of any local taxes applicable to you. The discussions that follow do not purport to be a comprehensive description of all tax considerations that may be relevant to a decision to purchase, hold or sell Notes. In particular, these discussions do not consider any specific facts or circumstances that may apply to you. The discussions that follow for each jurisdiction are based upon the applicable laws and interpretations thereof as in effect as of the date of this listing prospectus. These tax laws and interpretations are subject to change, possibly with retroactive or retrospective effect.

Certain French Tax Considerations

The following is a summary of certain French withholding tax considerations relating to the ownership and disposal of the Notes that may be relevant to holders that: (i) do not hold their Notes in connection with a business or profession conducted in France through a permanent establishment or a fixed base in France, (ii) do not hold shares of the Issuer, and (iii) are not related parties of the Issuer within the meaning of Article 39.12 of the French Tax Code. Comments which are included therein are reported only for information purposes and do not aim at giving a complete analysis of the tax rules that may affect the Issuers of the Notes or the investors. Furthermore, this summary does not address any French estate or gift tax considerations. This summary is based on the provisions of French tax laws and regulations, as in force and applied by the French tax authorities on the date of this listing prospectus, all of which are subject to change, possibly with retrospective effect, or to different interpretations. Accordingly, no opinion is expressed herein with regard to any system of law other than the laws of France as applied by French courts as of the date of this listing prospectus. Any investor contemplating to acquire the Notes should therefore consult its own tax adviser about the tax consequences that may arise for it as a result of the acquisition, the ownership, the disposal or the redemption of the Notes.

Article 1649 AC of the French Tax Code imposes on financial institutions within the meaning of Article 1 of 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.

Withholding Taxes on Payments Made Outside France

Holders of the Notes who concurrently hold shares of the Issuer may also be impacted by other rules not described in this section.

Payments of interest and assimilated revenues made by the relevant Issuer with respect to the relevant Notes, as applicable, will not be subject to the 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 (*Etat ou territoire non coopératif*) within the meaning of Article 238-0 A of the French Tax Code (a "Non-Cooperative State") other than those States or territories mentioned in 2° of 2 *bis* of the same Article 238-0 A, irrespective of the holder's fiscal domicile or registered headquarters. If such payments are made outside France in a Non-Cooperative State other than those States or territories mentioned in 2° of 2 *bis* of Article 238-0 A of the French Tax Code, a 75% withholding tax is applicable to such payments (subject to certain exceptions and to more favorable provisions of an applicable double tax treaty) by virtue of Article 125 A III of the French Tax Code. The list of Non-Cooperative States is published by a ministerial executive order (*arrêté*) which is in principle updated each year. The list of Non-Cooperative States was last updated on February 26, 2021, and currently includes, American Samoa, Anguilla, the British Virgin Islands, Dominica, Fiji, Guam, Palau, Panama, Samoa, Seychelles, Trinidad and Tobago, the United States Virgin Islands and Vanuatu. States referred to in Article 238-0 A 2 *bis* 2° of the FTC, and thus outside of the scope of Article 125 A III of the FTC, are currently American Samoa, Dominica, Fiji, Guam, Palau, Samoa, Trinidad and Tobago and the United States Virgin Islands.

Furthermore, pursuant to Article 238 A of the French Tax Code, interest and assimilated revenues with respect to the Notes will not be deductible from the relevant Issuer's taxable income if they are paid or accrued to persons domiciled or established in a Non-Cooperative State or paid on an account held in a financial institution established in such a Non-Cooperative State (the "Deductibility Exclusion"). Under certain conditions, any such non-deductible interest and assimilated revenues may be re-characterized as constructive dividends pursuant to Articles 109 *et seq.* of the French Tax Code, in which case they may be subject to the withholding tax set out under Article 119 *bis* 2 of the French Tax Code, at (i) 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, which is set at 25% for fiscal years beginning as from January 1, 2022, for payments benefiting legal persons who are not French tax residents, (ii) a rate of 12.8% for payments benefiting individuals who are not French tax residents or (iii) a rate of 75% for payments made outside France in a Non-Cooperative State other than those mentioned in 2° of 2 *bis* of Article 238-0 A of the French Tax Code (in each case subject to certain exceptions and to more favorable provisions of an applicable double tax treaty).

Notwithstanding the foregoing, neither the 75% withholding tax provided by Article 125 A III of the French Tax Code nor, to the extent that the relevant interest and assimilated revenues relate to genuine transactions and are not in an abnormal or exaggerated amount, 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 such Deductibility Exclusion will apply in respect of the Notes if the relevant Issuer can prove that the main purpose and effect of the issue of the Notes was not that of locating the interest and assimilated revenues in a Non-Cooperative State (the "Exception").

However, pursuant to the guidelines published by the French tax authorities regarding this legislation (BOI-INT-DG-20-50-30 dated February 24, 2021, § 150 and BOI-INT-DG-20-50-20 dated February 24, 2021, § 290 (the "BOFIP")), the Notes will benefit from the Exception without the relevant Issuer having to provide any evidence supporting the main purpose and effect of the issue of the Notes, and accordingly will be able to automatically benefit from the Exception (the "Safe Harbor"), if the Notes are:

(i) offered by means of a public offering within the meaning of Article L.411-1 of the French Monetary and Financial Code for which the publication of a prospectus is mandatory or pursuant to an equivalent offer in a state other than a Non-Cooperative State (for this purpose, an "equivalent offering" means any offering requiring the registration or submission of an offering document by or with a foreign securities market authority); and/or

(ii) admitted to trading on a French or foreign regulated market or multilateral financial instruments trading facility, *provided* that such market or facility is not located in a Non-Cooperative State and that such market is operated by a market operator, an investment services provider, or by such other similar foreign entity that is not located in a Non-Cooperative State; and/or

(iii) admitted, at the time of their issue, to the operations of a central depositary or of a securities delivery and payment 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 by the relevant Issuer under this listing prospectus qualify as debt securities under French commercial law. To the extent that the Notes are (i) listed on the Official List of the Exchange and (ii) admitted, at the time of their issue, to the operations of Euroclear and Clearstream, *i.e.,* both securities delivery and payment 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 made by the Issuer in respect of the Notes to their holders will fall under the Safe Harbor and will thus not be subject to the withholding tax set out under Article 125 A III of the French Tax Code, as construed by the French tax authorities under the BOFIP. Moreover, under the same conditions, pursuant to the BOFIP and to the extent that the relevant interest and other assimilated revenues relate to genuine transactions and are not in an abnormal or exaggerated amount, interest and assimilated revenues paid by the Issuer on the Notes should not be subject to the Deductibility Exclusion and, as a result, should not be subject to the withholding tax set out under Article 119 *bis* 2 of the French Tax Code solely on account of their being paid on an account held in a financial institution established in a Non-Cooperative State or accrued or paid to persons established or domiciled in a Non-Cooperative State.

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 similar income 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 similar income received by individuals fiscally domiciled (*domiciliés fiscalement*) in France, subject to certain exceptions.

Certain general tax considerations—payments by a Guarantor

If a Guarantor makes any payment in respect of the Notes, it is possible that such payments may be subject to withholding tax at applicable rates, subject to such relief as may be available under the provisions of any applicable double taxation treaty, or to any other exemption which may apply. Holders of Notes should consult with their tax advisors regarding the tax consequences if a Guarantor makes any payments with respect to the Notes.

Taxation on disposal

Beneficial owners of the Notes who are Non-French Resident Holder and who do not hold their Notes in connection with a permanent establishment or a fixed place of business in France should not be subject to income or withholding taxes in France in respect of the gains realized on the sale, exchange, or disposal of the Notes.

Stamp duties

No transfer taxes or similar duties are payable in France in connection with the transfer of the Notes, provided that such transfers are not recorded in a deed registered with the French tax authorities on a voluntary basis.

Certain United States Federal Income Tax Considerations

The following is a discussion of certain U.S. federal income tax considerations relevant to 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). This discussion does not address the impact of the unearned income Medicare contribution tax or 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 or to holders subject to special rules, such as 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 arrangements (or investors in such entities or arrangements), persons whose 2022 Senior Secured Notes, 2023 Senior Secured Notes or 2025 Senior Subordinated Notes are redeemed in the substantially concurrent redemption transactions, persons liable for alternative minimum tax, 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 and persons holding the Notes as part of a "straddle," "hedge," "conversion transaction" or other integrated transaction. In addition, this discussion is limited to persons who purchase the Notes for cash at original issue and at their "issue price" (the first price at which a substantial amount 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 hold the Notes as capital assets within the meaning of section 1221 of the Code.

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 classified as a corporation created or organized in or under the laws of the United States, any state thereof or the District of Columbia; (iii) an estate the income of which is subject to U.S. federal income taxation regardless of its source; or (iv) a 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 any entity or arrangement treated as a partnership for U.S. federal income tax purposes holds the Notes, the tax treatment of a partner in the partnership will generally depend upon the status of the partner and the activities of the partnership. A holder that is a partnership, and partners in such partnerships, should consult their tax advisors regarding the 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.

Additional Payments

In certain circumstances, we may be obligated to make payments on the Notes in excess of stated principal and interest. We intend to take the position that the foregoing contingencies should not cause the Notes to be treated as contingent payment debt instruments under the applicable Treasury Regulations. Assuming such position is respected, a U.S. holder would be required to include in income the amount of any such additional payments at the time such payments are received or accrued in accordance with such U.S. holder's method of accounting for U.S. federal income tax purposes. Our position is binding on a holder, unless the holder discloses in the proper manner to the IRS that it is taking a different position. If the IRS successfully challenged our position, and the Notes were treated as contingent payment debt instruments, U.S. holders would be required to accrue interest income at a rate higher than their yield to maturity, regardless of the holder's method of accounting, and to treat as ordinary income, rather than capital gain, any gain recognized on a sale, exchange, retirement or redemption of a Note. The remainder of this discussion assumes that the Notes will not be considered contingent payment debt instruments. U.S. holders are urged to consult their tax advisors regarding the potential application to the Notes of the contingent payment debt instrument rules and the consequences thereof.

Payments of Stated Interest

Payments of stated interest on a Note (including any additional amount paid with respect to withholding tax and without reduction for any tax withheld) generally will be includible in the gross income of a U.S. holder as ordinary interest income at the time the interest is received or accrued, in accordance with the U.S. holder's regular method of accounting for U.S. federal income tax purposes. Interest generally will be income from sources outside the United States and, for purposes of the U.S. foreign tax credit, generally will be considered passive category income.

A U.S. holder that uses the cash method of accounting for U.S. federal income tax purposes will recognize interest income equal to the U.S. dollar value of the interest payment, based on the spot rate of exchange on the date of receipt, regardless of whether the payment is in fact converted into U.S. dollars at that 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 U.S. federal income 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 relevant interest accrual period (or portion thereof within the U.S. holder's taxable year) (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 method 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 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 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, translated 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.

Any non-U.S. withholding tax paid (or deemed paid) by a U.S. holder at the rate applicable to such holder may be eligible for foreign tax credits (or deduction in lieu of such credits) for U.S. federal income tax purposes, subject to applicable limitations. The calculation of foreign tax credits involves the application of complex rules that depend on a U.S. holder's particular circumstances. U.S. holders should consult their tax advisors regarding the availability of foreign tax credits.

Sale, Exchange, Retirement or other Taxable Disposition of Notes

A U.S. holder's adjusted tax basis in a Note generally will equal the cost of the Note to the U.S. holder. The cost of a Note purchased with foreign currency will generally be the U.S. dollar value of the foreign currency purchase price on the date of the purchase, calculated at the spot rate in effect on that date.

Upon the sale, exchange, retirement or other taxable disposition of a Note, a U.S. holder generally will recognize gain or loss in an amount equal to the difference between the amount realized (other than amounts attributable to accrued and unpaid stated interest, which, to the extent not previously included in income, will be includible in income as ordinary interest income) and the U.S. holder's adjusted tax basis in the Note. The amount realized on the sale, exchange, retirement or other taxable disposition of a Note for an amount of foreign currency will generally be the U.S. dollar value of that amount translated at the spot rate on the date of taxable disposition. If the Note is traded on an established securities market, a cash basis taxpayer (and, if it elects, an accrual method 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, such election must be applied consistently to all debt instruments from year to year and cannot be changed without the consent of the IRS. An accrual method U.S. holder that cannot or does not make the special election will recognize foreign currency exchange gain or loss to the extent attributable to the difference between the exchange rates on the trade date and settlement date.

U.S. holders will recognize exchange gain or loss upon the sale, exchange, retirement or other taxable disposition of a Note to the extent that the gain or loss is attributable to changes in currency exchange during the period in which the U.S. holder held such notes. Such foreign currency gain or loss will generally be equal to the difference between the U.S. dollar value of the U.S. holder's purchase price of the Note in foreign currency determined (1) using the spot rate on the date of the sale, exchange, retirement or other taxable disposition, and (2) using the spot rate on the date the U.S. holder acquired the 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 "*—Payments of 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 Note, and will be treated as ordinary income generally from sources within the United States for U.S. foreign tax credit limitation purposes.

All foreign currency gain or loss generally will be treated as ordinary income or loss and not as an adjustment of interest income.

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 a non-corporate U.S. holder (including an individual), 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 Note and the foreign currency received upon a sale, exchange, retirement or other taxable disposition of a Note.

Additional Notes

The Issuer may issue additional notes under the Indenture ("Additional Notes"). Even if these Additional Notes are treated as part of the same series as the Notes for non-tax purposes, in some cases they may be treated as a separate series for U.S. federal income tax purposes. In such a case, the Additional Notes may be considered to have original issue discount for U.S. federal income tax purposes, which may adversely affect the market value of the Notes if the Additional Notes are not otherwise distinguishable from the Notes.

Tax Return Disclosure Requirements

Treasury Regulations require the reporting to the IRS of certain foreign currency transactions giving rise to losses in excess of a certain minimum amount, such as losses upon the receipt or accrual of interest on, or the sale, exchange, retirement or other taxable disposition of a Note or foreign currency received in respect of a Note. 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 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. U.S. holders may be required to provide such certification on IRS Form W-9.

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 are individuals (and certain entities) that hold an interest in "specified foreign financial assets" (which may include the Notes) are required to report information (on IRS Form 8938) relating to such assets, subject to certain exceptions (including an exception for Notes held in accounts maintained by certain financial institutions). U.S. holders who fail to report the required information could be subject to substantial penalties. In addition, the statute of limitations for assessment of tax would be suspended, in whole or part. U.S. holders should consult their tax advisors regarding the effect, if any, of this requirement on their ownership and disposition of the Notes.

CERTAIN INSOLVENCY LAW CONSIDERATIONS AND LIMITATIONS ON VALIDITY AND ENFORCEABILITY OF THE GUARANTEES AND SECURITY INTERESTS

European Union

EU Insolvency Regulation

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 July 4, 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 "centre 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 centre of main interests is a question of fact on which the courts of the different Member States may have differing and even conflicting views.

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 centre 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 for the purposes of deciding 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 1st, 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 any French Guarantor or the Issuer) 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 or the Note Guarantees granted by the French Guarantors and corresponding security interests.

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.

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.

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's business, in particular through a "plan for the sale of the business", also known as a prepack sale plan (*plan de cession*) 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.

Judicial Restructuring Lien: Persons that, in the context of accelerated safeguard, safeguard or judicial reorganization or liquidation proceedings, provide new money (except through a share capital increase) (the "Judicial Restructuring Lien"):

(i) during the observation period in safeguard and judicial reorganization proceedings or the temporary continuation of business in judicial liquidation proceedings, 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.

<u>*Standard consultation*</u>: 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).

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.

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.

If the draft plan provides for a modification of the share capital or the by-laws, the court may decide that the shareholders general meeting and, as the case may be, the general meetings of the holders of securities giving access to the share capital of the company shall vote, the first time the relevant meeting is convened, at a simple majority of the votes of the shareholders attending, or represented at, the meeting, provided that they hold at least half of the shares with voting rights. The second time the meeting is convened, the usual provisions relating to quorum and majority shall apply.

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).

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. 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 presenting 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 claims 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 sale 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 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 sale 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 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 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 sale 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 if the order of payment in a judicial liquidation were applied (whether in the event of a piecemeal sale or a court-ordered sale plan);

  (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 were applied (whether in the event of a piecemeal sale or of a court-ordered sale plan),

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 of the parties that will be impaired to render its adoption plausible within an initial two-month period, that may be extended up to a total maximum of four months, following commencement of the accelerated safeguard proceedings, 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 creditor 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 sale 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 their 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 standard 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 Commercial 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 sale 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 "sale 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 sale 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 sale 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 sale 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 deemed to be the date of the court decision commencing the proceedings, unless, in this decision or in a subsequent one, the court sets an earlier date, which may be no earlier than 18 months before the date of the court decision 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* assignment) 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.

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, except in accelerated safeguard proceedings and judicial reorganization proceedings where the continued operation of the business has not been ordered by the court, 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 sale 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 sale 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 Judicial 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 that 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 relevant 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- 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 sale 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 Judicial 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.

Creditors' 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 facilities granted to the debtor, if the granting of such facilities was wrongful and if the relevant creditor (i) committed a fraud or (ii) manifestly interfered with the management of the debtor or (iii) obtained security or guarantees that 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.

Limitations on Guarantees

The liabilities and obligations of each French Guarantor 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 French 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 Issuer, or used to refinance any indebtedness previously directly or indirectly on-lent, to that French 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 French Guarantor under its Notes Guarantees. Any payment made by such French Guarantor under its Notes Guarantees in respect of the obligations of any other obligor shall reduce *pro tanto* the outstanding amount of the intercompany loans due by such French Guarantor or its subsidiaries under the intercompany loan arrangements referred to above. By virtue of this limitation, a French Guarantor's obligation under the Notes Guarantees could be significantly less than amounts payable with respect to the Notes, or a French Guarantor may have effectively no obligation under its Notes Guarantees.

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

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 shall 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 French Guarantor. In France, no lien searches are available for security interests which are not publicly registered (such as pledges over securities account), 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 and cash amount ("soulte")

Security interests governed by French law may only secure 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. Such value is determined either by the court in the context of a judicial attribution or by a pre-contractually agreed 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 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 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 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.

Security Agent

Articles 2488-6 to 2488-12 of the French Civil Code allow the creation of security interests and personal guarantees for the direct benefit of a security agent, which will hold such rights separately from its own estate. As a result, the rights of secured creditors under security interests and personal guarantees will be ring fenced if the security agent is the subject of insolvency proceedings (except in cases of fraud or in cases of the exercise of a right of pursuit (*droit de suite*) of a creditor). The security agent will remain liable for gross negligence or willful misconduct in the performance of its duties. The security agent can take all legal actions to protect the secured creditor's interests and file a receivable on behalf of one or several creditors in a debtor's insolvency proceedings. The security agent must be appointed pursuant to a written agreement specifying its quality, its duties, the duration of its duties and its powers.

Parallel Debt - Trust

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 Intercreditor Agreement will be provided for the creation of "parallel debt" obligations in favor of the Security Agent (the "Parallel Debt") mirroring the obligations of the Issuer and the Guarantors (as principal obligors) towards the holders of the Notes under or in connection with the Indenture (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. 10-25.533, "*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 will 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 the Indenture 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 or (following the Super Senior Conversion Date) the Super Senior 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.

Assumptions as to the Enforceability of Second Ranking Pledges Over Receivables/Bank Accounts

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.

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 a similar effect) can be challenged (i) in insolvency proceedings of the relevant debtor, by the creditors representative (*mandataire judiciaire*) or the commissioner of its safeguard or reorganization plan (*commissaire à l'exécution du plan*), or (ii) by any of the creditors of the relevant debtor 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 Note 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 Note 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 Note 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 Note 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 Issuer or the 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 or (following the Super Senior Conversion Date) the Super Senior 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, the 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 this listing prospectus, has received no judicial interpretation), we cannot rule out that a French court would not give effect to certain provisions of the Intercreditor Agreement or (following the Super Senior Conversion Date) the Super Senior Intercreditor Agreement.

England and Wales

The obligations under the Notes are secured by a share charge over the shares in the Company's wholly-owned subsidiary Lavendon Group Limited (the "Share Charge") and guaranteed under a Guarantee from Nationwide Platforms.

The following is a brief description of certain aspects of English insolvency law relating to certain limitations on the Guarantee and the enforceability of the Share Charge. The application of these laws could adversely affect investors, their ability to enforce their rights under the Guarantee and the Share Charge and therefore may limit the amounts that investors may receive in an insolvency of a UK Subsidiary.

Applicable legal framework and jurisdiction of the English courts

While the UK was a member state of the EU, insolvency processes opened in the UK were subject to both EU and applicable UK domestic legislation. Following the UK's departure from the EU on January 31, 2020 and the expiry of the subsequent transition period (the "Transition Period") on December 31, 2020, in accordance with the European Union (Withdrawal) Act 2018 (as amended by the European Union (Withdrawal Agreement) Act 2020) EU law as directly applicable in the UK at the end of the Transition Period (subject to certain exceptions) was transposed into UK domestic law subject to significant amendments. The Insolvency (Amendment) (EU Exit) Regulations 2019 (SI 2019/146) (as amended) ("Insolvency Amendment Regulations") effected key amendments to both EU insolvency laws previously directly applicable in the UK, including the EU Insolvency Regulation, and domestic insolvency laws, including the Insolvency Act 1986 (the "Insolvency Act"), the Insolvency (England and Wales) Rules 2016 (SI 2016/1024) (the "Insolvency Rules") and the Cross-Border Insolvency Regulations 2006 (SI 2006/1030) (the "Cross-Border Insolvency Regulations").

Unless insolvency proceedings or certain related proceedings were opened prior to the expiry of the Transition Period, in which case the unmodified EU Insolvency Regulation and related EU insolvency legislation govern the proceedings, insolvency proceedings with respect to English companies would likely proceed under, and be governed by, English insolvency laws in force at the time of commencement of the relevant proceedings. However, to the extent that an English company has its COMI in a member state of the EU, insolvency proceedings could, pursuant to the EU Insolvency Regulation and subject to certain exceptions, be opened in the relevant EU member state and be subject to the laws of that EU member state (see "*European Union*" above). In addition, pursuant to the Cross-Border Insolvency Regulations, certain foreign courts may have jurisdiction to oversee insolvency proceedings of any English company which has its COMI or an "establishment" (being a place of operations where it carries out a non-transitory economic activity with human means and assets or services) in such foreign jurisdiction.

Although the scope of the English courts' jurisdiction varies for the different insolvency proceedings available in England and Wales, English courts generally have jurisdiction to open insolvency proceedings in respect of any company which has its COMI in the UK or which has its COMI in an EU member state (other than Denmark) and an "establishment" in the UK. An "establishment" is defined in the same way as under the EU Insolvency Regulation (see "*European Union*" above). While this allows English courts to assume jurisdiction over certain foreign companies in respect of certain insolvency proceedings, the efficacy of such proceedings will significantly depend on the likelihood and extent of subsequent recognition of such proceedings in relevant other jurisdictions (see "*Cross-border recognition of English insolvency and restructuring proceedings*" below).

English insolvency law is different to the laws of the United States and other jurisdictions with which investors may be familiar. In the event that an English company experiences financial difficulty, it is not possible to predict with certainty the outcome of insolvency or similar proceedings. The obligations under the Notes are guaranteed by the Guarantee from Nationwide Platforms and secured by the Share Charge. English insolvency laws and other limitations could limit the enforceability of a Guarantee against an English company and the security interests secured by the Share Charge.

The following is a brief description of certain aspects of English insolvency law relating to such limitations. The application of these laws could adversely affect investors, and their ability to enforce their rights under the Guarantee and/or under the Share Charge and therefore may limit the amounts that investors may receive in an insolvency of an English company.

Fixed versus floating charges

Whilst the Notes benefit from fixed charge security over certain Collateral owned by certain of the English companies, there is a possibility under English law that a court could find that fixed security interests expressed to be created by a security document governed by English law properly take effect as floating charges as the description given to them as fixed charges is not determinative. Whether the purported fixed security interests will be upheld as fixed security interests rather than recharacterized as floating security interests will depend, among other things, on whether the secured party has the requisite degree of control over the charging company's ability to deal with the relevant assets and the proceeds thereof and, if so, whether such control is exercised by the security holder in practice. Where the charging company is free to deal with the assets that are the subject of a purported fixed charge in its discretion and without the consent of the chargee, the court would be likely to hold that the security interest in question constitutes a floating charge, notwithstanding that it may be described as a fixed charge.

If such classification as a floating charge were to occur, there are a number of ways in which floating charge security may be less advantageous than fixed charge security: (a) a fixed charge, even if created after the date of a floating charge, may have priority as against a floating charge over the same charged assets (provided that the floating charge has not crystallized at the time the fixed charge was granted and there were no restrictions on the creation of such security which the fixed charge holder was aware of); (b) provided that the floating charge is not created or does not otherwise arise under a security financial collateral arrangement, general costs and expenses (including the remuneration of insolvency office-holders and the costs of continuing to operate the business of the charging company while in administration) properly incurred in an insolvency process are generally payable out of the assets of the charging company (including the assets (including cash) that are the subject of the floating charge) and insolvency office-holders appointed to a charging company can convert floating charge assets to cash and, where the floating charge is not created or, does not otherwise arise under a security financial collateral arrangement, use such cash to meet such general costs and expenses in priority to the claims of the floating charge holder to the extent that the value of the charging company's unsecured assets is not sufficient to cover such costs and expenses in full; (c) until the floating charge security crystallizes, a company is entitled to deal with assets that are subject to the floating charge security in the ordinary course of business, meaning that such assets can be effectively disposed of by the charging company so as to give a third-party good title to the assets free of the floating charge; (d) an administrator may dispose of or take action relating to property subject to a floating charge without the prior consent of the charge holder or court, although the floating charge holder retains the same priority in respect of the proceeds from the disposal of the assets subject to the floating charge; (e) where the floating charge is not created or otherwise arising under a "financial collateral arrangement" (generally, a charge over cash or financial instruments such as shares, bonds or tradeable capital market debt instruments and credit claims) under the Financial Collateral Arrangements (No. 2) Regulations 2003 (as amended) (the "Financial Collateral Regulations"), assets subject to floating charge security are subject to the claims of certain preferential creditors and the ring-fencing of the Prescribed Part for unsecured creditors (see "Priority on insolvency" below); and (f) there are particular insolvency "clawback" risks in relation to floating charge security.

Administration

The Insolvency Act 1986 (as amended) and the onshored version of the EU Insolvency Regulation (which pursuant to the Insolvency Amendment Regulations has been substantially amended) provide that an administrator may be appointed (whether in or out of court) in respect of a company incorporated in England, Wales, Scotland or an EEA state, a company not incorporated in an EEA state but with its COMI in a member state of the EU (other than Denmark), a company (wherever incorporated) having its COMI in the UK or a company (wherever incorporated) with its COMI in a member state of the EU and an "establishment" in the UK, and upon request from courts in other parts of the UK or certain other countries or territories. In each case and subject to specific conditions, an administration order can be made if the court is satisfied that (a) the relevant company is or is likely to become "unable to pay its debts" and (b) the administration order is reasonably likely to achieve the purpose of administration.

A company is unable to pay its debts if it is insolvent on a "cash flow" basis (unable to pay its debts as they fall due) or if it is insolvent on a "balance sheet" basis (the value of the company's assets is less than the amount of its liabilities, taking into account its contingent and prospective liabilities), as per Section 123 of the Insolvency Act. Such insolvency is presumed if, among other matters, the company fails either to satisfy a creditor's statutory demand for a debt exceeding £750 within 21 days of service or to satisfy in full or in part a judgment debt (or similar court order).

The purpose of an administration comprises three parts that must be looked at successively: rescuing the company as a going concern or, if that is not reasonably practicable, achieving a better result for the company's creditors as a whole than would be likely upon immediate liquidation or, if neither of those objectives is reasonably practicable and the interests of the creditors as a whole are not unnecessarily harmed thereby, realizing property to make a distribution to one or more secured or preferential creditors. The order of priority which applies to any distribution to creditors is set out below (see "*Priority on insolvency*" below).

Without limitation and subject to specific conditions, the debtor company, the directors of such company or the holder of a "qualifying floating charge" (as described in "*Qualifying floating charge*" below) where the floating charge has become enforceable may also appoint an administrator out of court. Different appointment procedures apply according to the identity of the appointor.

An administrator is given wide powers to conduct the business of the company to which they are appointed and, subject to certain requirements under the Insolvency Act, dispose of the property of a company in administration (including property subject to a floating charge). A set proportion of the proceeds of the realization of any property subject to a floating charge will need to be set aside for satisfaction of the claims of preferential creditors and the ring-fencing of the Prescribed Part (see "*Prescribed Part*" below). An administrator may also, with prior approval by the court, deal with assets subject to a fixed charge, provided that disposing of the property is likely to promote the purpose of the administration and the administrator applies the net proceeds from the disposal towards discharging the obligations of the company to the fixed charge holder.

In addition, certain rights of creditors, including secured creditors, are curtailed in an administration. Upon the appointment of an administrator, a statutory moratorium is imposed such that no step may be taken to enforce security or a guarantee over the company's property except with the consent of the administrator or leave of the court (although a demand for payment could be made under a guarantee granted by the company). The same requirements for consent or permission apply to the institution or continuation of legal process (including legal proceedings, execution, distress and diligence) against the company or property of the company. In either case, a court will consider discretionary factors in determining any application for leave in light of the hierarchy of statutory objectives of administration described above.

However, certain creditors of a company in administration may, in certain defined circumstances, be able to realize their security over certain of that company's property notwithstanding the statutory moratorium. This is by virtue of the disapplication of the moratorium in relation to any security interest created or otherwise arising under a "financial collateral arrangement" (generally, a charge over cash or financial instruments such as shares, bonds or tradeable capital market debt instruments and credit claims) under the Financial Collateral Regulations.

Accordingly, if any of the English companies were to enter into administration, the Guarantee and Share Charge, as applicable, may not be enforceable without the permission of the court or consent of the administrator while the relevant company was in administration. There can be no assurance that the Security Agent would obtain such permission of the court or consent of the administrator.

Qualifying floating charge

If a company grants security constituting a "qualifying floating charge" to a party, that party will be able to appoint an administrator out of court (see "*Administration*" above) or (in limited circumstances) an administrative receiver (see "*Administrative Receivership"* below). The holder of a qualifying floating charge is also entitled to advance notice of an intention of a company or its directors to appoint an administrator, allowing the charge holder to either appoint its own administrator (or, where applicable, administrative receiver) in place of the proposed administrator, conduct negotiations with the proposed appointors over the identity or terms of appointment of the proposed administrator or (in an extreme case) prevent the company going into administration.

A floating charge constitutes a qualifying floating charge if it is created by an instrument which (a) states that the relevant statutory provision applies to it, (b) purports to empower the holder to appoint an administrator of the company, or (c) purports to empower the holder to appoint an administrative receiver within the meaning given by Section 29(2) of the Insolvency Act. A party will be the holder of a qualifying floating charge if such floating charge security, together (if necessary) with other forms of security granted to that party, relates to the whole or substantially the whole of the property of the relevant company, and at least one such security interest is a qualifying floating charge. Please note that it is a matter of fact whether the extent of the security granted relates to 'the whole or substantially the whole' of the property of a company and there is no statutory guidance as to what percentage of a company's assets should be charged to satisfy this test.

Administrative receivership

Administrative receivership as a creditor remedy has been largely abolished and is only available in very limited circumstances. The ability to appoint an administrative receiver only applies to holders of a qualifying floating charge where either the security document granting such charge pre-dates 15 September 2003 or where it falls within one of the exceptions under the Insolvency Act (as amended by the Enterprise Act 2002). The most relevant exception to the prohibition on the appointment of an administrative receiver is the exception relating to "capital market arrangements" (as defined in the Insolvency Act), which may apply if the issue of the Notes creates a debt of at least £50.0 million for the relevant English company during the life of the arrangement and the arrangement involves the issue of a "capital market investment" (which is defined in the Insolvency Act and includes rated, listed or traded debt instruments and debt instruments designed to be rated, listed or traded).

If an administrative receiver has been appointed, an administrator can only be appointed by the court (and not by the company, its directors or the holder of a qualifying floating charge using the out of court procedure) and then only if the person who appointed the administrative receiver consents or the court considers that the security pursuant to which the administrative receiver was appointed is capable of challenge as a transaction at an undervalue, a preference or an invalid floating charge (see "*Transactions at an undervalue*", "*Preference*" and "*Voidable floating charge*" below, respectively). If an administrator is appointed, any administrative receiver will vacate office.

Fixed charge receivership

A fixed charge receiver (as opposed to an administrative receiver, who is appointed under certain floating charges – see "*Administrative receivership*" above) may be appointed over some or all of the assets secured by a fixed charge in accordance with the terms of a security document creating a fixed charge or (in limited circumstances) pursuant to statute under the Law of Property Act 1925, although it is standard market practice to augment the powers of any receiver appointed through the relevant security document.

If appointed under the terms of a security agreement, grounds for appointment under the terms of the charge (such as a default) must exist and the charging company must have failed to satisfy the demand made for an appointment to take place. A receivership is not a process pursuant to English insolvency laws as such and a fixed charge receivership can be run in parallel to a liquidation or an administration. However, an administrator may require a fixed charge receiver to vacate office unless that fixed charge receiver was appointed under a charge created or otherwise arising under a "financial collateral arrangement", as per Regulation 8(4) of the Financial Collateral Regulations (see "*Administration*" above).

The primary duty of a fixed charge receiver is to realize the assets over which (s)he is appointed, meaning (s)he owes an over-riding duty of care to the appointor, although certain limited duties are also owed to the chargor. This contrasts with the duty of an administrator, who performs his/her duties in the interests of a company's creditors as a whole. In other words, receivership is a proprietary remedy whereas administration is a collective procedure. In realizing the charged assets, the receiver will need to take reasonable care to obtain the best price obtainable in the circumstances. In doing so, the fixed charge receiver will be entitled to a statutory indemnity in respect of any liabilities from the realizations made of the assets of the company (and may also have the benefit of a contractual indemnity from the appointor).

To the extent the receiver has been appointed under a crystallized floating charge, amounts will be deducted from the proceeds of the realization of the charged assets to pay the Prescribed Part and any preferential creditors (see "*Prescribed Part*" below).

Scheme of arrangement

Although not an insolvency proceeding, pursuant to Part 26 of the Companies Act 2006 the English courts have jurisdiction to sanction a scheme of arrangement that effects a compromise of a company's liabilities between a company and its creditors (or any class of its creditors). An English company may be able to propose a scheme in respect of its financial liabilities. In addition, a foreign company which (a) is liable to be wound up under the Insolvency Act and (b) has a "sufficient connection" to England and Wales could also propose a scheme. In practice, a foreign company is likely to satisfy the first limb of this test and the second limb has been found to be satisfied where, amongst other things, the company's COMI is in England, the company's finance documents are English law governed or the company's finance documents have been amended in accordance with their terms to be governed by English law. Ultimately, each case will be considered on its particular facts and circumstances so previous cases will not necessarily determine whether or not any of the grounds of the second limb are satisfied in the present case.

Before the court considers the sanction of a scheme of arrangement, affected creditors will vote on the proposed compromise or arrangement in respect of their claims in a single class or in a number of classes, depending on the rights of such creditors that will be affected by the proposed scheme and any new rights that such creditors are given under the scheme. Such compromise can be proposed by the company or its creditors. If a majority in number representing 75% or more by value of those creditors present and voting at the meeting(s) of each class of creditors vote in favor of the proposed scheme, irrespective of the terms and approval thresholds contained in the finance documents, then that scheme will (subject to the sanction of the court) be binding on all affected creditors, including those affected creditors who did not participate in the vote and those who voted against the scheme. The scheme then needs to be sanctioned by the court at a sanction hearing where the court will review the fairness of the scheme and consider whether it is reasonable. The court has discretion as to whether to sanction the scheme as approved, make an order conditional upon modifications being made or refuse to sanction the scheme. In exercising its discretion to sanction a scheme of a foreign company, the court will need to be satisfied that the scheme of arrangement would have substantial effect in the jurisdictions in which the company has its main assets or operations, in the jurisdictions of any other obligors of the debt and under the governing law the affected debt documents (if not English law). This is typically achieved by providing expert evidence that the scheme of arrangement (or its effect) is likely to be recognized in such jurisdictions. Once sanctioned, the scheme of arrangement binds all affected stakeholders whose rights will be as set out in the scheme of arrangement, which shall be effective (in accordance with its terms) upon delivery of the court's order sanctioning the scheme of arrangement to the Registrar of Companies.

Unlike an administration proceeding, the commencement of a scheme of arrangement does not automatically trigger a moratorium of claims or proceedings.

Restructuring plan

Like a scheme of arrangement, a restructuring plan is a procedure under the Companies Act 2006, namely Part 26A thereof, which allows the English courts to effect a compromise of a company's liabilities between a company and its creditors (or any class of its creditors), but with the added possibility of a 'cross-class cram-down'. While generally available to the same domestic and foreign companies as schemes of arrangement, a company seeking to enter into a restructuring plan process must show that (a) it has encountered, or is likely to encounter, financial difficulties that are affecting, or will or may affect, its ability to carry on business as a going concern, and (b) a compromise or arrangement has been proposed between the company and its creditors (or any class of them) for the purpose of eliminating, reducing or preventing, or mitigating the effect of, any of those financial difficulties.

A restructuring plan may be proposed by the debtor company, any creditor of the company or any liquidator or administrator appointed to the company. As with a scheme of arrangement, affected creditors will vote on the proposed compromise or arrangement in respect of their claims in a single class or in a number of classes depending on the rights of such creditors which will be affected by the proposed restructuring plan and any new rights that such creditors are given under the restructuring plan.

A restructuring plan will be deemed to be approved if at least 75% in value of the creditors and/or members (if applicable) present and voting at the meeting of at least one class of creditors vote in favor of the proposed compromise. There is no requirement for the approving creditors to constitute a majority in number of those creditors present and voting, and there is crucially no requirement for each and every voting class to approve of the plan, provided that the court is satisfied that (a) none of the members of a dissenting class would be any worse off if the restructuring plan were to be sanctioned than they would be in the event of the 'relevant alternative' and (b) the restructuring plan was approved by at least one class of creditors who would receive a payment or have a genuine economic interest in the company in the event of the 'relevant alternative'. The 'relevant alternative' for the purposes of this assessment is whatever the court considers would be most likely to occur in relation to the company if the restructuring plan were not sanctioned. By virtue of these mechanics, the restructuring plan process provides for the possibility of a 'cross-class cram-down', meaning the courts may sanction a restructuring plan even if one or more classes of affected creditors do not vote in favor of the restructuring plan, effectively allowing the vote of one class of stakeholders to bind other classes.

Following approval of the restructuring plan at the creditor meeting(s), the restructuring plan needs to be sanctioned by the court at a sanction hearing where the court will review whether the applicable statutory conditions have been met and may also consider whether the restructuring plan is just and equitable. The court has discretion as to whether to sanction the restructuring plan as approved, make an order conditional upon modifications being made or refuse to sanction the restructuring plan. Once sanctioned, the restructuring plan binds all affected stakeholders whose rights will be as set out in the restructuring plan, which shall be effective (in accordance with its terms) upon delivery of the court's order sanctioning the restructuring plan to the Registrar of Companies.

As with schemes of arrangement, the commencement of a restructuring plan process does not automatically trigger a moratorium of claims or proceedings.

Company voluntary arrangement

In order to propose a company voluntary arrangement, a company must either (i) be registered in England and Wales or Scotland; or (ii) be incorporated in an EEA State; or (iii) if not incorporated in an EEA State, have its COMI in the UK or an EU member state (other than Denmark).

Pursuant to Part I of the Insolvency Act, a company (by its directors or its administrator or liquidator, as applicable) may propose a company voluntary arrangement to the company's shareholders and creditors which entails a compromise, or other arrangement, between the company and its creditors, typically a rescheduling or reducing of the company's debts. Provided that the proposal is approved by the requisite majority of creditors (by way of decision procedure) and shareholders, it will bind all unsecured creditors who were entitled to vote on the proposal. A company voluntary arrangement cannot affect the right of a secured creditor to enforce its security, except with its consent. A company voluntary arrangement also cannot affect the rights of a preferential creditor to be paid in priority to non-preferential creditors, or to be paid on an unequal basis relative to other preferential creditors, except with its consent.

In order for the company voluntary arrangement proposal to be passed, it must be approved by at least 75% (by value) of the company's creditors who respond in the decision procedure, and no more than 50% (by value) of unconnected creditors may vote against it. A simple majority of the company's members must also have voted in favor of the proposal. Secured debt cannot be voted in a company voluntary arrangement, however, a secured creditor may vote to the extent that its claims are undersecured. A secured creditor who proves in the company voluntary arrangement for the whole of its debt may be deemed to have given up its security.

Unlike an administration proceeding, a company voluntary arrangement does not automatically trigger a moratorium of claims or proceedings.

Liquidation/winding-up

Liquidation is a company dissolution procedure under which the assets of a company are realized and distributed by the liquidator to creditors and (if applicable) members in the statutory order of priority prescribed by the Insolvency Act (see "*Priority on insolvency*" below). There are two forms of winding-up: (a) compulsory liquidation, by order of the court; and (b) members' voluntary liquidation or creditors' voluntary liquidation, in each case by resolution of the company's members. The difference between the two voluntary proceedings is the solvency of the company in question; in a members' voluntary liquidation, the directors of the company swear a statutory declaration as to the company's solvency over the following 12 months whereas the primary ground for the creditors' voluntary liquidation of an insolvent company is that it is unable to pay its debts (as defined in Section 123 of the Insolvency Act – see "*Administration*" above). Note that while a creditors' voluntary liquidation (other than as an exit from administration) is initiated by a resolution of the members, not the creditors, once in place the process is subject to some degree of control by the creditors. Whereas compulsory liquidation and creditors' voluntary liquidation proceedings are available to foreign companies with sufficient nexus to the UK in addition to companies within the English courts' general jurisdiction (see "*Applicable legal framework and* *jurisdiction of the English courts*" above), members' voluntary liquidation proceedings are only available to companies registered in England, Wales or Scotland.

The effect of a compulsory winding-up differs in a number of respects from that of a voluntary winding-up. In a compulsory winding-up, under Section 127 of the Insolvency Act any disposition of the relevant company's property made after the commencement of the winding-up is, unless sanctioned by the court, void. However, this will not apply to any property or security interest subject to a disposition or created or otherwise arising under a "financial collateral arrangement" under the Financial Collateral Regulations and will not prevent a close-out netting provision taking effect in accordance with its terms. Subject to certain exceptions, when an order is made for the winding-up of a company by the court, it is deemed to have commenced at the time of the presentation of the winding-up petition. Once a winding-up order is made by the court, a stay of all proceedings against the company will be imposed. No action or proceeding may be continued or commenced against the company without permission of the court and subject to such terms as the court may impose although there is no freeze on the enforcement of security.

In the context of a voluntary winding-up, however, there is no equivalent to the retrospective effect of a winding-up order; the winding-up commences on the passing of the resolution to wind up. As a result, there is no equivalent of Section 127 of the Insolvency Act. There is also no automatic stay in the case of a voluntary winding-up – it is for the liquidator, or any creditor or contributory of the company, to apply for a stay to prevent the continuation of legal proceedings and enforcement of security.

A liquidator has the power to bring or defend legal proceedings on behalf of the company, to carry on the business of the company as far as it is necessary for its beneficial winding up, to sell the company's property and execute documents in the name of the company and to challenge antecedent transactions (see "*Avoidance of Transactions*" below).

In light of the coronavirus pandemic, legislation was introduced to restrict temporarily the ability of creditors to present winding-up petitions and of courts to grant winding-up orders. With effect from October 1, 2021, those restrictions expired and were replaced by new more limited regulations introducing temporary targeted measures to limit the use of winding-up petitions in certain circumstances but not prevent their general use. These temporary measures: (a) raise the threshold upon which a winding up petition may be presented from £750 to £10,000; (b) allow a creditor to present a winding up petition only after expiry of a 21 day period during which the debtor has failed to provide a proposal for repayment satisfactory to the creditor; and (c) prevent landlords petitioning to wind up tenants for unpaid rent arrears arising as a result of coronavirus. The measures will remain in place until March 31, 2022.

Priority on insolvency

One of the primary functions of winding-up (and, where the company cannot be rescued as a going concern, one of the possible functions of administration) under English law is to realize the assets of the company in question and distribute the proceeds from those assets to the company's creditors.

In accordance with the Insolvency Act and the Insolvency Rules, creditors are placed into different classes, with the proceeds from the realization of the insolvent company's property applied in descending order of priority, as set out below. With the exception of the Prescribed Part (as defined below), distributions generally cannot be made to a class of creditors until the claims of the creditors in a prior-ranking class have been paid in full. Unless creditors have agreed otherwise with the company, distributions are made on a *pari passu* basis, that is, the assets are distributed in proportion to the debts due to each creditor within a class.

Contractual setting-off arrangements entered into after a company enters liquidation or administration are only respected to the extent they fall within the definition of "mutual dealing" as applied by the mandatory insolvency set-off regime. This regime sees an account being taken of what is due from each party to the other in respect of their mutual dealings, and only the resulting net balance is either provable by the creditor in the administration or liquidation of the company (if amounts remain due to the creditor) or, conversely, is payable by the creditor to the company (if amounts remain due to the company).

The general priority on insolvency is as follows (in descending order of priority):

- *First ranking*: holders of fixed charge security (but only to the extent the value of the secured assets covers that indebtedness);

- *Second ranking*: expenses of the insolvent estate (there are statutory provisions setting out the order of priority in which expenses are paid). In certain circumstances, specific moratorium debts may rank ahead of expenses;

- *Third ranking*: ordinary and secondary preferential creditors.

  Ordinary preferential debts include (but are not limited to) debts owed by the insolvent company in relation to: (a) contributions to occupational and state pension schemes; (b) wages and salaries of employees for work done in the four months before the insolvency date, up to a maximum of £800 per person; and (c) holiday pay due to any employee whose contract has been terminated, whether the termination takes place before or after the date of insolvency; and (d) bank and building society deposits eligible for compensation under the Financial Services Compensation Scheme ("FSCS") up to the statutory limit. As between one another, ordinary preferential debts rank equally.

  Secondary preferential debts rank for payment after the discharge of ordinary preferential debts and include claims by HMRC in respect of certain taxes including VAT, PAYE income tax (including student loan repayments), employee NI contributions and Construction Industry Scheme deductions (but excluding corporation tax and employer NI contributions) which are held by the company on behalf of employees and customers as well as bank and building deposits eligible for compensation under the FSCS to the extent such claims exceed the statutory limit. As between one another, secondary preferential debts rank equally;

- *Fourth ranking*: holders of floating charge security, according to the priority of their security. This would include any security interest that was stated to be a fixed charge in the document that created it but which, on proper interpretation by the court, was rendered a floating charge. However, before distributing asset realizations to the holders of floating charges, the Prescribed Part (as defined below) must, subject to certain exceptions, be set aside for distribution to unsecured creditors;

- *Fifth ranking*:

  - firstly, provable debts of unsecured creditors and (to the extent of any unsecured shortfall) secured creditors, in each case including accrued and unpaid interest on those debts up to the date of commencement of the relevant insolvency proceedings. To pay the secured creditors any unsecured shortfall, the insolvency office-holder can only use realizations from unsecured assets as secured creditors are not entitled to any distribution from the Prescribed Part unless the Prescribed Part is sufficient to pay out all unsecured creditors or the secured creditor elects to surrender its security;

  - secondly, interest on the company's unsubordinated debts (at the higher of the applicable contractual rate and the rate determined in accordance with the Judgments Act 1838 (currently 8% per annum)) in respect of any period after the commencement of liquidation or after the commencement of an administration which has been converted into a distributing administration. However, in the case of interest accruing on amounts due under the Notes and/or Guarantees, such interest due to the holders of the Notes may, if there are sufficient realizations from the secured assets, be discharged out of such security recoveries; and

  - thirdly, non-provable liabilities, being liabilities that do not fall within any of the categories above and therefore are only recovered in the (unusual) event that all categories above are fully paid. This does not include currency conversion claims; and

- *Sixth ranking*: shareholders. If, after the repayment of all unsecured creditors in full, any remaining funds exist, these will be distributed to the shareholders of the insolvent company.

Subject to the above order of priority, subordinated creditors are ranked according to the terms of the subordination language in the relevant documentation.

Prescribed Part

An insolvency practitioner of a company (e.g. an administrator, administrative receiver or liquidator) will generally be required to ring-fence a certain percentage of the proceeds of enforcement of floating charge security for the benefit of unsecured creditors (after making full provision for preferential creditors and expenses out of floating charge realizations) (the "Prescribed Part"). This ring-fence applies to (a) 50% of the first £10,000 of the company's net property and (b) 20% of the remainder of the company's net property over £10,000, with a maximum aggregate cap of £800,000 (except where the company's net property is available to be distributed to the holder of a first-ranking floating charge created before 6 April 2020, in which case the maximum aggregate cap is £600,000). The Prescribed Part must be made available to unsecured creditors unless the cost of doing so would be disproportionate to the resulting benefit to creditors.

Foreign currency

Under English insolvency law, where creditors are asked to submit formal proofs of claim for their debts, the office-holder will convert all foreign currency denominated proofs of debt into pound sterling at a single rate for each currency determined by the office-holder by reference to the exchange rates prevailing on the relevant date. This provision overrides any agreement between the parties. If a creditor considers the rate to be unreasonable, it may apply to the court.

Accordingly, in the event that an English company goes into liquidation or administration, holders of the Notes may be subject to exchange rate risk between the date on which such English company goes into liquidation or administration and receipt of any amounts to which such holders of the Notes may become entitled. Any losses resulting from currency fluctuations are not recoverable from the insolvent estate.

Avoidance of transactions

There are circumstances under English insolvency law in which the granting by an English company of security and/or guarantees can be challenged. In most cases, this will only arise if the company is placed into administration or liquidation within a specified period after the granting of the security and/or guarantee. Therefore, if during the specified period an administrator or liquidator is appointed to an English company, the administrator or liquidator may challenge the validity of the security or guarantee given by such company.

The Issuer cannot be certain that, in the event that the onset of an English company's insolvency (as described below) is within any of the requisite time periods, the grant of a security interest and/or guarantee in respect of the Notes would not be challenged or that a court would uphold the transaction as valid.

Onset of insolvency

The date of the onset of insolvency, for the purposes of transactions at an undervalue, preferences and invalid floating charges (as discussed below) depends on the insolvency procedure in question.

In an administration, the onset of insolvency is the date on which: (a) the court application for an administration order is issued; (b) the notice of intention to appoint an administrator is filed at court; or (c) otherwise, the date on which the appointment of an administrator takes effect. In a compulsory liquidation, the onset of insolvency is the date the winding-up petition is presented to court, whereas in a voluntary liquidation it is the date the company passes the relevant winding-up resolution. Where liquidation follows administration, the onset of insolvency for the purposes of transactions at an undervalue and preferences will be as for the initial administration.

Connected persons

If a given transaction at an undervalue, preference or invalid floating charge has been entered into by the company with a "connected person", then particular specified time periods and presumptions will apply to any challenge by an administrator or liquidator (as set out below).

A "connected person" of a company granting a security interest or guarantee, for the purposes of transactions at an undervalue, preferences or invalid floating charges, is a party who is: (a) a director of the company; (b) a shadow director; (c) an associate of such director or shadow director; or (d) an associate of the relevant company.

A party is associated with an individual if they are: (a) a relative of the individual; (b) the individual's husband, wife or civil partner; (c) a relative of the individual's husband, wife or civil partner; (d) the husband, wife or civil partner of a relative of the individual; or (e) the husband, wife or civil partner of a relative of the individual's husband, wife or civil partner. A party is associated with a company if they are employed by that company. A person is an associate of any person with whom they are in partnership, and of the husband, wife or civil partner or a relative of any individual with whom they are in partnership.

A company is associated with another company if the same person has control of both companies, or a person has control of one and persons who are his associates, or he and persons who are his associates, have control of the other, or if a group of two or more persons has control of each company and the groups either consist of the same persons or could be regarded as consisting of the same persons by treating (in one or more cases) a member of either group as replaced by a person of whom he is an associate.

A person is to be taken as having control of a company if the directors of the company or of another company which has control of it (or any of them) are accustomed to act in accordance with his directions or instructions, or he is entitled to exercise, or control the exercise of, one third or more of the voting power at any general meeting of the company or of another company which has control of it. Where two or more persons together satisfy either of these conditions, they are to be taken as having control of the company.

The potential grounds for challenge available under English law that may apply to any security interest or guarantee granted by any English company include, without limitation, the following described below:

Transactions at an undervalue

Under English insolvency law, a liquidator or administrator could apply to the court for an order to set aside the creation of a security interest or a guarantee (or grant other relief) where the creation of such security interest or guarantee constituted a transaction at an undervalue.

A transaction will only be a transaction at an undervalue if, at the time of the transaction or as a consequence of the transaction, the company is unable to pay its debts or becomes unable to pay its debts (as defined in Section 123 of the Insolvency Act). The transaction can be challenged if the onset of the company's insolvency is within a period of two years from the date the company grants the security interest or the guarantee. In any proceedings, it is for the administrator or liquidator to show that the company was unable to pay its debts unless a beneficiary of the transaction was a connected person (see "*Connected persons*" above), in which case there is a presumption of insolvency and the connected person must demonstrate that the company was not unable to pay its debts at the time of the transaction or became unable to do so as a consequence of the transaction.

A transaction may be set aside as a transaction at an undervalue if the company made a gift to a person, if the company received no consideration or if the company received consideration of significantly less value, in money or money's worth, than the consideration given by such company. However, a court shall not make an order if it is satisfied that the company entered into the transaction in good faith and for the purpose of carrying on its business and that, at the time it did so, there were reasonable grounds for believing the transaction would benefit it.

If the court determines that the transaction was a transaction at an undervalue, the court shall make such order as it sees fit to restore the company to the position it would have been in had it not entered into the transaction, which may include reducing payments due under or setting aside security interests or guarantees. An order by the court for a transaction at an undervalue may affect the property of, or impose any obligation on, any person whether or not they are the person with whom the company entered into the transaction, but such an order will not prejudice any interest in property which was acquired from a person other than the company in good faith and for value or prejudice any interest deriving from such an interest, and will not require a person who received a benefit from the transaction in good faith and for value to pay a sum to the liquidator or administrator of the company, except where the person was a party to the transaction.

Preferences

Under English insolvency law, a liquidator or administrator could apply to the court for an order to set aside payments, the creation of a security interest or a guarantee (or grant other relief) where such payment, creation of security interest or guarantee constituted a preference.

A transaction will only be a preference if, at the time of the transaction or in consequence of the transaction, the company is unable to pay its debts or becomes unable to pay its debts (as defined in Section 123 of the Insolvency Act). The transaction can be challenged if the company enters into insolvency within a period of six months (if the beneficiary of the security or the guarantee is not a connected person) or two years (if the beneficiary is a connected person, except where such beneficiary is a connected person by reason only of being the company's employee) from the date the company grants the security interest or the guarantee. A transaction may constitute a preference if a transaction has the effect of putting a creditor of the company (or a surety or guarantor for any of the company's debts or liabilities) in a better position (in the event of the company going into insolvent liquidation) than such creditor, guarantor or surety would otherwise have been in had that transaction not been entered into. However, a court shall not make an order unless the company which entered into the transaction was influenced by a desire to produce a preferential position in relation to that person when taking their decision.

In any proceedings, it is for the administrator or liquidator to show that the company was unable to pay its debts at the relevant time and that there was such desire to prefer the relevant creditor. If, however, the beneficiary of the transaction was a connected person (except where such beneficiary is a connected person by reason only of being the company's employee), it is presumed that the company intended to put that person in a better position and the connected person must demonstrate that there was, in fact, no such desire on the part of the company to prefer them.

If the court determines that the transaction was a preference, the court shall make such order as it sees fit to restore the company to the position it would have been in had it not entered into the transaction, which may include reducing payments due under or setting aside security interests or guarantees. An order by the court for a preference may affect the property of, or impose any obligation on, any person whether or not they are the person to whom the preference was given, but such an order will not prejudice any interest in property which was acquired from a person other than the company in good faith and for value or prejudice any interest deriving from such an interest, and will not require a person who received a benefit from the preference in good faith and for value to pay a sum to the liquidator or administrator of the company, except where the payment is to be in respect of a preference given to that person at a time when they were a creditor of the company.

Transactions defrauding creditors

Under English insolvency law, where a transaction was at an undervalue and the court is satisfied that it was made for the substantial purpose of putting assets beyond the reach of a person who is making, or may make, a claim against the company in question, or of otherwise prejudicing the interests of a person in relation to the claim which that person is making or may make, the transaction may be set aside by the court as a transaction defrauding creditors. This provision may be used by any person who claims to be a "victim" of the transaction including the UK Financial Conduct Authority and the UK Pensions Regulator (with the leave of the court if the company is in liquidation or administration) and use of the provision is therefore not limited to liquidators or administrators. There is no statutory time limit within which the challenge must be made (subject to the normal statutory limitation periods) and the relevant company does not need to be insolvent at the time of, or as a result of, the transaction.

If the court determines that the transaction was a transaction defrauding creditors, the court may make such order as it sees fit to restore the position to what it would have been if the transaction had not been entered into and to protect the interests of the victims of the transaction, which may include reducing payments due under or setting aside security interests or guarantees. The relevant court order may affect the property of, or impose any obligation on, any person whether or not they are the person with whom the transaction was entered into. However, such an order will not prejudice any interest in property which was acquired from a person other than the debtor company in good faith, for value and without notice of the relevant circumstances, and will not require a person who received a benefit from such transaction in good faith, for value and without notice of the relevant circumstances to pay any sum to the liquidator or administrator of the company unless such person was a party to the transaction.

Voidable floating charges

Under English insolvency law, floating charges created by a company within a period of one year prior to the onset of the company's insolvency (or two years in the case of a floating charge in favor of a connected person) at a time when the company was unable to pay its debts or became unable to do so as a consequence of the transaction will be invalid, except to the extent of the value of: (a) the money paid to; (b) the goods or services supplied to; or (c) any discharge or reduction of any debt of, the relevant company at the same time as or after the creation of the floating charge (plus certain interest) (the "Consideration"). The requirement for a company to be unable to pay its debts at the time of granting the floating charge or to become insolvent as a consequence of doing so does not apply where the floating charge is granted to a connected person.

An administrator or liquidator (as applicable) does not need to apply to court for an order declaring that a floating charge is invalid by operation of law. Any floating charge created during the relevant time period is automatically invalid, except to the extent of the value of the Consideration.

However, if the floating charge is created or otherwise arising under a "security financial collateral arrangement" under the Financial Collateral Regulations, the floating charge will not be subject to challenge as described in "*Administration*" above.

Recharacterization of fixed charges

As referred to above (see "*Fixed versus floating charges*" above), note the risk of a fixed charge being recharacterized as a floating charge. If purported fixed security that is subsequently recharacterized has been granted within the suspect period referred to above (see "*Voidable floating charges*" above), this could render the charge invalid except to the value of the Consideration.

Disclaimer

An English liquidator has the power to disclaim onerous property, which is any unprofitable contract or other property of the company that cannot be sold, readily sold or may give rise to a liability to pay money or perform any other onerous act, by serving the prescribed notice on the relevant party. A contract may be unprofitable if it gives rise to prospective liabilities and imposes continuing financial obligations on a company that may be detrimental to creditors. A contract will not be unprofitable merely because it is financially disadvantageous or because the company could have made, or could make, a better bargain. However, this power to disclaim onerous property does not apply to an executed contract nor can it, except so far as is necessary for the purpose of releasing the company from any liability, affect the rights or liabilities of any other person. Any person suffering loss or damage in consequence of the operation of the disclaimer is deemed to be a creditor of the company and may prove for the loss or damage in the winding-up.

Security over shares

Security over shares granted by an English company or over shares of an English company are, under English law, equitable charges, not legal charges. An equitable charge arises where a charging company creates an encumbrance over the property in favor of the chargee but the charging company retains legal title to the shares. Remedies in relation to equitable charges may be subject to equitable considerations or may otherwise be at the discretion of the court.

The validity of share security and the ability of secured parties to enforce security interests over shares may additionally be affected by a failure of the charging company or related parties or (in certain circumstances) the secured parties to comply within the relevant timeframes with the disclosure and notification obligations under English company statutes in respect of persons with significant control and relevant legal entities.

Limitations on enforcement

Constitutional documents, corporate benefit and financial assistance

The grant of a Guarantee or security over Collateral by any English company in respect of the obligations of another group company must satisfy certain legal requirements. Among other requirements, such a transaction must be allowed by the respective company's memorandum and articles of association. To the extent that these documents do not allow such an action, there is the risk that the grant of the guarantee and the subsequent security can be found to be void and the respective creditor's rights unenforceable. Some comfort may be obtained for third parties if they are dealing with an English company in good faith; however, the relevant legislation is not without difficulties in its interpretation.

Further, corporate benefit must be established for each English company in question with respect to its entry into the proposed transaction. Section 172 of the Companies Act 2006 provides that a director must act in a way that he considers, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole. If the directors enter into a transaction where there is no or insufficient commercial benefit, they may be found to be abusing their powers as directors and such a transaction may be vulnerable to being set aside by a court. Section 172(3) of the Companies Act 2006 additionally provides that, in certain circumstances, the directors need to consider or act in the interests of the creditors of the company. While the statutory provisions do not prescribe when this shift arises, the English courts have held that it takes place when the directors know, or should know, that the company in question is or is likely to become insolvent, with "likely" in this context meaning "probable".

Security and/or guarantees granted by an English company may also be subject to potential limitations to the extent they would result in unlawful financial assistance contrary to English company law.

Security registration

Under English company law, subject to limited exceptions, a certified copy of any security document pursuant to which a charging company incorporated in England and Wales grants security (including security governed by law other than English law) (together with prescribed particulars of the relevant security) may be delivered to the Registrar of Companies for registration within 21 days after the date of creation of the relevant security interest (the "Registration Period"). While the Companies Act 2006 does not impose an obligation as such on English companies to register security, security will be deemed to be void against a liquidator, administrator and any creditor of the applicable charging company if not registered within the Registration Period. When security becomes so void, the debt which was intended to be secured by such security is deemed to become immediately payable. In limited circumstances, it may be possible to apply to the English courts for an order to rectify a failure to register and allow the relevant charge to be registered after the Registration Period has expired.

The Financial Collateral Regulations exempt certain charges over financial collateral from registration with the Registrar of Companies. Security created by overseas companies over assets in England and Wales similarly does not need to be registered with the Registrar of Companies, although registration with applicable asset registries may still be required depending on the nature of the collateral assets.

Moratoriums

As outlined above, certain of the insolvency processes available in England and Wales provide for the automatic or optional moratorium imposing a period of time during which third parties including creditors are unable to institute or continue legal action against the company, enforce certain rights and/or call upon security or guarantees. Besides the moratorium available to companies undergoing administration (see "*Administration*" above), moratoriums are also available to companies entering liquidation (see "*Liquidation/winding-up*" above).

Restriction on the operation and exercise of ipso facto provisions

Recent changes to the Insolvency Act introduced a restriction on the operation and exercise of ipso facto clauses in order to preserve the continuity of the provision of goods and services to companies undergoing insolvency procedures. In general terms, ipso facto clauses are provisions in supply of goods or services contracts which allow suppliers to terminate the contract or supply or take any other action, or provide for the automatic termination of the contract or supply or the occurrence of any other event, upon the counterparty entering an insolvency procedure. Under the new approach, to the extent that the trigger event is the counterparty's entry into a 'relevant insolvency procedure' (i.e. an administration, administrative receivership, company voluntary arrangement, liquidation and/or a restructuring plan), such clauses will be deemed void and suppliers will be unable to terminate the relevant contracts unless the company or the relevant office-holder consents to the termination or the court grants permission on the basis that it is satisfied that the continuation of the contract would cause the supplier hardship.

The restrictions do not apply to a range of contracts involving financial services or entities involved in the provision of financial services, including contracts for the provision of lending, financial leasing or guarantees, contracts for the purchase, sale or loan of securities or commodities and agreements which are, or form part of, arrangements involving the issue of a capital market investment (as defined in the Insolvency Act).

Cross-border recognition of English insolvency and restructuring proceedings

General position

The recognition of English insolvency and restructuring proceedings in other jurisdictions is governed by applicable treaties in respect of the mutual recognition (or otherwise) of courts' jurisdiction, proceedings and judgments and general principles of private international law such as comity and conflicts of laws rules applicable in the relevant jurisdictions.

One of the key insolvency-related treaties is the UNCITRAL Model Law on Cross-Border Insolvency (the "Model Law"), which has been adopted in a number of jurisdictions, including the United States and the UK, where it was implemented by the Cross-Border Insolvency Regulations. The Model Law provides for recognition of certain UK insolvency proceedings in other signatory states as either foreign main proceedings (if the COMI of the relevant debtor is determined to be in the UK) or foreign non-main proceedings (if the COMI is determined to be in another jurisdiction but the debtor has an establishment in the UK) upon application by the relevant insolvency officeholder. The nature and scope of the recognition will depend on the way that the Model Law has been implemented into the domestic law of the jurisdiction in question. Conversely, the Cross-Border Insolvency Regulations provide for recognition in the UK of foreign insolvency proceedings as either main proceedings (if the proceedings are taking place in the jurisdiction where the debtor has its COMI) or non-main proceedings (if the proceedings are taking place in a jurisdiction in which the debtor has only an establishment).

The recognition of English courts' jurisdiction and orders in respect of schemes of arrangement, which are restructuring rather than insolvency proceedings, will be subject to treaties regarding matters relating to the jurisdiction of courts in civil proceedings and the enforcement of civil judgments such as the Hague Convention on Choice of Court Agreements 2005 (the "Hague Convention") and the Lugano Convention 2007 (the "Lugano Convention") (subject to the UK's pending application to accede to the latter) where these apply. In addition, recognition may still be available under principles of private international law and Regulation (EC) No 593/2008 of the European Parliament and of the Council of 17 June 2008 on the law applicable to contractual obligations ("Rome I").

The recognition of English courts' jurisdiction and orders in respect of restructuring plans is a developing area of law. It remains to be seen whether restructuring plans will fall within the scope of treaties regarding matters relating to the jurisdiction of courts in civil proceedings and the enforcement of civil judgments such as the Hague Convention and the Lugano Convention, or whether they will be treated more akin to insolvency and restructuring proceedings and fall within related exceptions to such treaties (the one case to date in which this point has been considered adopted the latter position).

Recognition in the EU

Following the UK's departure from the EU and the expiry of the Transition Period, UK proceedings no longer benefit from automatic and guaranteed recognition in EU member states. As the trade and cooperation terms agreed between the EU and the UK do not include a replacement regime for the current automatic recognition of UK insolvency procedures across the EU (and vice versa) or otherwise address insolvency matters, cross-border insolvencies involving the UK and one or more EU member states will be subject to a degree of uncertainty and increased complexity.

Unless or until a mutual recognition agreement is reached in the future, it is likely to be more problematic for UK restructuring and insolvency proceedings to be recognized in EU member states and for UK office holders to effectively deal with assets located in EU member states. The general position outlined above will apply and recognition will depend on the private international law rules adopted in the relevant EU member state and the need may well arise to open parallel proceedings, increasing the element of risk as well as costs. In particular in cases where the appointment of a UK office holder is made in reliance on a UK domestic approach rather than COMI rules, it is much less certain that such appointment will be recognized in other EU member states. To the extent relevant proceedings are deemed to fall within the remit of contract law, Rome I may offer an alternative basis for recognition in EU member states.

As a consequence, the recognition of English insolvency and restructuring proceedings across the EU member states may be different from what investors may have experienced in the past when the UK was a member state of the EU. It is not possible to predict with certainty if and to what extent proceedings will be recognized and whether investors may be adversely affected as a result.

Finland

Applicable Insolvency Law

Ramirent and certain of its subsidiaries are incorporated and have their centre of main interests in Finland. In the event of insolvency of a Finnish company, insolvency proceedings may be initiated in Finland. Such proceedings would be governed by Finnish law. In case of insolvency proceedings connected to another EU member state within the meaning of regulation (EU) 2015/848 of the European Parliament and of the Council on Insolvency Proceedings, and provided that said regulation is applied to such EU member state, the regulation shall apply.

The following is a brief description of certain aspects of Finnish insolvency law.

The provisions of the Finnish Bankruptcy Act (*Konkurssilaki*, 120/2004, as amended), the Finnish Restructuring Act (*Laki yrityksen saneerauksesta*, 47/1993, as amended) and the Finnish Act on the Recovery of Assets to the Bankruptcy Estate (the "Recovery Act") (*Laki takaisinsaannista konkurssipesään*, 758/1991, as amended) are particularly relevant to this discussion.

Under Finnish law, if a company is insolvent or is at risk of becoming insolvent, the company may be the subject of two alternative types of proceedings: company restructuring (*yrityssaneeraus*) and bankruptcy (*konkurssi*). Liquidation proceedings (*selvitystila*) under the Companies Act (*Osakeyhtiölaki*, 624/2006, as amended) generally concern only solvent companies as there is an obligation to conclude liquidation proceedings and file for bankruptcy if the full settlement of all of the company's debts is not possible in liquidation.

Company Restructuring

If a company is insolvent or is at risk of becoming insolvent, and it is probable that company restructuring proceedings would remedy the insolvency or prevent its recurrence otherwise than temporarily, an application for company restructuring can be submitted to a court by the debtor or by one or more creditors in accordance with the Finnish Restructuring of Enterprises Act. Further, the initiation of company restructuring proceedings is possible—in theory, irrespective of the company's solvency situation—when at least two creditors whose total claims represent at least one-fifth of the debtor's known debts and who are not related to the debtor file a joint application with the debtor or declare that they support the debtor's application for company restructuring.

If no statutory barriers to restructuring under the Finnish Restructuring Act are established and, consequently, the court approves the application and opens restructuring proceedings, the court will simultaneously appoint a restructuring administrator (*selvittäjä*). The purpose of a company restructuring is to investigate whether the business has a reasonable chance to continue and, if so, to rehabilitate the company's viable business, ensure its continued viability and make debt arrangements with creditors and execute other measures. The Board of Directors and the Managing Director continue to act on behalf of the company during the restructuring proceedings. The restructuring administrator is entitled to review the company's books and business documents and obtain any information on the company's business activities, as well as to participate in meetings of the debtor's corporate bodies. The restructuring administrator's consent is required to certain legal acts of a significant nature of the debtor company specified in the Restructuring Act.

The commencement of restructuring proceedings, as a general rule, has no effect on the debtor's existing contracts (though reorganizing debts deriving from such contracts may obviously be reorganized). However, there are some exceptions set forth in the Finnish Restructuring Act regarding premature termination of certain contracts, such as lease agreements, unfulfilled contracts not deemed to be a regular part of the activities of the debtor and employment relationships.

Moratorium

Subject to certain exceptions, all existing claims against the company that have arisen before the filing of the restructuring application are suspended as of the commencement of the company restructuring. The suspension prohibits the enforcement and placing of security, the repayment and enforcement of the restructuring debts (although debts arising after the filing of the restructuring application must be repaid and can be enforced), and the seizure of assets. The court may order, on the request of the applicant or the debtor, that such prohibitions are in effect on an interim basis as of a date even prior to the commencement of restructuring proceedings (i.e., shortly after the filing of the application for the restructuring proceedings). The suspensions are in force until the restructuring program has been verified by the district court or the proceedings have been, for reasons specified in the Restructuring Act, dismissed or interrupted.

Debts arising after the filing of the application must be repaid as they become due. The same applies to fees, charges and other running expenses (e.g., lease payments) based on a continuous contractual relationship or on a continuous contract on use or possession, to the extent as these relate to the period subsequent to the filing of the application.

Debt Arrangements

Creditors with equal ranking have an equal status in the arrangements of the restructuring debts (i.e., debts that have arisen before the filing of the application) within the restructuring program.

Subject to certain restrictions set forth in the Finnish Restructuring Act, the following measures may be taken with respect to unsecured debts in the restructuring program: (i) changing the repayment schedule; (ii) ordering that debt payments be considered as payments against principal first, and as payments of interest and other credit costs only second; (iii) reducing the obligation to pay interest and other credit costs with respect to the remaining term of a debt; and (iv) reducing the outstanding principal balance of unpaid debt. The restructuring program may also include the full or partial refinancing of debt, either as a lump sum funded by the issuance of new debt or with payments in lieu of performance that are considered reasonable having regard to the creditor's position and field of business.

Secured debt means restructuring debt where the creditor holds an effective (against third parties) security interest to property that belongs to or is in the possession of the debtor, in so far as the value of the security at the commencement of the proceedings would have been enough to cover the amount of the creditor's claim after the deduction of liquidation costs and claims with a higher priority. The part of the claim that is not covered by the value of the security is regarded as unsecured debt for the purposes of the restructuring proceedings. Regarding business mortgages, only 50% of the value of the mortgaged property will be considered as secured debt. The value of the property will be determined by the restructuring program.

The following debt arrangements may be applied to secured debt: (i) changing the repayment schedule; (ii) ordering that debt payments be applied as payments against principal first and as payments of interest and other credit costs second; or (iii) reducing the obligation to pay interest and other credit costs with respect to the remaining term of the debt. The restructuring program may also include the full or partial refinancing of secured debt as a lump sum payment funded by the issuance of new debt.

Even if the debt arrangement does not affect the existence or content of a creditor's security right, the security arrangements relating to the debt may be altered by replacing the security with other fully adequate security.

Payments on a secured debt shall be set so that at least the present value of the secured debt will be repaid within a reasonable period, not to materially exceed the remainder of the credit period without the consent of the creditor or, if the debt has become due in full, not to materially exceed half of the original credit period. As for reducing interest and other credit costs, the length of the remaining credit period should be taken into consideration in the restructuring program, so that the longer the remaining credit period, the smaller the reduction in interest and credit costs.

Approval of the Restructuring Program

The draft of the restructuring program will be drawn up by the restructuring administrator, and the court will ratify it subject to the approval of all the creditors or with the acceptance of the majority in the groups of creditors. However, there are some specific limitations under the Finnish Restructuring Act which apply even if the restructuring program is approved by all creditors or the majority in all groups of creditors. Furthermore, even if the majority does not exist in one or several groups of creditors, the restructuring program may nonetheless be approved at the request of the person who has prepared the draft, the administrator or the debtor, subject to the terms specified in the Restructuring Act. In such a case the restructuring claims of the creditors in favor of the program must represent at minimum one-fifth of all restructuring claims of the debtor company taken into consideration in the voting procedure in accordance with the Restructuring Act and at least one group of creditors must have voted for approval of the program by majority. The debtor may also submit a proposal to the court with respect to the restructuring program, which the court may consider in its discretion.

Bankruptcy

A debtor or a qualifying creditor may apply for bankruptcy from a court of competent jurisdiction when the debtor is unable to pay its debts and the inability to pay is not temporary, i.e. considered to be insolvent. If the application is approved, an estate administrator (or several estate administrators) (*pesänhoitaja*) will be appointed by the court.

A bankruptcy covers all the liabilities of the debtor, and its objective is to liquidate the assets of the debtor and use the proceeds received in payment of the creditors' claims. The bankruptcy estate may (in exceptional situations) continue the company's business operations and the disposal of property should be realized as soon as it is reasonably possible. The debtor's assets are, from the beginning of the bankruptcy, subject to the authority of the estate administrator. The creditors are represented through the meeting of creditors. The estate administrator must act for the common benefit of all creditors and shall comply with the decisions and guidelines of the creditors in matters falling within the decision-making powers of the creditors.

Notices to the Bankruptcy Estate with regard to Claims

As a main rule, in order to be entitled to a disbursement, a creditor must file a claim in bankruptcy in writing (a "lodgment of claim") with the estate administrator, by a deadline set by the estate administrator. Information concerning the deadline is sent to all known creditors and published in local newspaper as well as in the official gazette of Finland (*Virallinen lehti*). The obligation to notify the bankruptcy estate of a claim is binding even on a creditor with a secured claim. A creditor who holds assets belonging to the debtor as security for the debt of a third party must, at the request of, and within a time limit set by, the estate administrator, provide the same information on the receivables and collateral as should be provided in a claim letter. A creditor who holds a business mortgage over the assets of the debtor, as referred to in the Finnish Business Mortgages Act (*Yrityskiinnityslaki* 634/1984, as amended), as security for a claim shall file the claim as provided in the Finnish Bankruptcy Act. If a claim is denominated in a currency other than euro, the value in euro for the purposes of the bankruptcy proceedings is determined using the exchange rate of the date of commencement of the bankruptcy proceedings.

A creditor who wishes to use his or her claim for set-off against a debt owed to the debtor must, when giving notice of the set-off, provide the estate administrator with the same information that would be provided in a claim letter.

Disbursements

The estate administrator draws up a list of how the proceeds of the estate are to be divided among the creditors ("draft disbursement list"). The court verifies that the estate administrator's disbursement list meets the statutory requirements and that the procedural provisions relating to the draft disbursement list have been observed.

The entitlement of creditors to payment out of the proceeds of the bankruptcy estate is proportionate to the amount of their claims, unless otherwise provided by law. However, according to the Finnish Act on Order of Payment of the Creditors (1572/1992, *Laki velkojien maksusaantijärjestyksestä*), the following creditors have priority over unsecured creditors in the following order: (i) creditors of secured claims (excluding claims secured by business mortgage) and holders of retention rights, with priority over the proceeds from the respective security asset; (ii) the administrative expenses of the bankruptcy estate, claims on the basis of contracts that the bankruptcy estate (rather than the debtor) has entered into, any liabilities for which the bankruptcy estate is responsible by operation of law and a debt that has arisen between the commencement and discontinuation of restructuring proceedings; (iii) if the company has undergone restructuring proceedings before the bankruptcy, (A) fees and expenses of the restructuring administrator with penal interest incurred until the time of payment of the fees and expenses and after satisfaction of said payment and (B) creditors of a debt that has arisen between the commencement and discontinuation of restructuring proceedings and (iv) claims that are secured by a business mortgage will receive prior to other unsecured claims 50% of the value of the mortgaged assets.

Under Finnish law, certain claims are settled after all other claims. In practice, the most significant of such claims are the interest accruing on the claim during the period subsequent to the commencement of the bankruptcy and a loan or a bond which pursuant to its terms is subordinated to ordinary debt. The Finnish state has no preferential rights regarding taxes and other fiscal charges.

The assets of the bankruptcy estate are to be disposed of in the most advantageous manner so as to maximize the aggregate net proceeds, including by way of auctions, through advertising and direct solicitation of potential buyers. However, creditors that have an interest in collateral may exercise their right of liquidation of collateral regardless of the bankruptcy proceedings. The bankruptcy estate may at its own discretion prohibit the sale of pledged property for a maximum of two months. The bankruptcy estate may sell collateral belonging to the estate only if the creditor protected by the collateral consents to the same or if the court grants a specific permission. At the request of the bankruptcy estate, assets of the bankruptcy estate may also be sold in accordance with the provisions of the Finnish Enforcement Code (*Ulosottokaari*, 705/2007, as amended) if the bailiff consents to the same.

Recovery of Assets

Pursuant to the Recovery Act 758/1991, *laki takasinsaannista konkurssipesään*, certain acts carried out by a debtor can be revoked if the rights of creditors have been prejudiced by those acts. According to the Finnish Restructuring Act and the Finnish Enforcement Code (705/2007, *Ulosottokaari*), the grounds for recovery set forth in the Recovery Act are also to be applied in company reorganization and enforcement proceedings.

The bankruptcy estate administrator, the administrator in the company restructuring and certain creditors may seek to recover assets of the debtor in connection with bankruptcy, company restructuring or enforcement proceedings. The administrator or the creditors may, within a specified time, either file an action for recovery against the debtor's counterparty in a separate court proceeding or file an objection. In bankruptcy, this period to file an action is one year from the commencement of the bankruptcy proceedings or three months from the moment that the bankruptcy estate has discovered or should have discovered grounds for recovery. In the case of a company restructuring program, the administrator must file an action within six months from the commencement of the restructuring proceedings or within three months from the moment that the administrator has discovered or should have discovered grounds for recovery.

Certain general rules for recovery apply to all transactions between an insolvent debtor (including a debtor who becomes insolvent partially due to the transaction) and the counterparty of the debtor. A transaction concluded within five years prior to the date when the petition for bankruptcy, company restructuring or enforcement is filed with the court or relevant authority (as well as transactions performed after such date) may be recovered if: (i) the transaction, either by itself or together with other transactions, improperly (a) favors a creditor at the expense of other creditors, (b) places property beyond the reach of creditors, or (c) increases debts to the detriment of the creditors; (ii) the debtor, at the time of the transaction, was, or partly due to the transaction became, insolvent or, in case of a transaction considered to be a gift or a contract with the characteristics of a gift, over-indebted; (iii) the counterparty knew or should have known of the insolvency or over-indebtedness, or the relevance of the transaction to the debtor's economic situation; and (iv) the counterparty knew or should have known the facts mentioned above in clause (i), on the basis of which the transaction is considered improper. The grounds for recovery under Section 5 of the Recovery Act, which covers all transactions concluded between the debtor and a counterparty, are thus applicable only if the counterparty had qualified or should have had qualified knowledge of all the issues described above in (i) and (ii). Transactions between the debtor and certain (natural or legal) persons within the debtor's sphere of interest (as defined in the Recovery Act) may be recovered regardless of the date of the transaction.

Pursuant to the Recovery Act, certain transactions can, in certain circumstances, be recovered regardless of the good faith of the counterparty and regardless of the solvency of the debtor at the time of the transaction. Such transactions include, among other things: (i) payments received through enforcement; (ii) the payment of debts; and (iii) the granting of security. Any debt paid later than three months prior to the date when the petition for bankruptcy, company restructuring or enforcement is filed with the court or relevant authority (or, in the event that the beneficiary is a person within the debtor's sphere of interest, within two years) may be recovered if: (i) unusual means of payment have been used; (ii) the payment was premature; or (iii) the amount of payment was considerable in comparison to the assets of the debtor. However, a payment may not be recovered if it, when all circumstances are taken into consideration, may be held as customary. Security given later than three months prior to the date when the petition for bankruptcy, company restructuring or enforcement is filed with the court or the relevant authority (or, in the event that the beneficiary is a person within the debtor's sphere of interest, within two years) may be recovered if: (i) the parties had not agreed upon the security in connection with the granting of the credit; or (ii) the possession of the security had not been transferred, or any similar act perfecting the security had not been taken without unjustified delay after the granting of the credit.

When a transaction is recovered, the property that has been received from the debtor is returned to the debtor bankruptcy estate if the debtor is in bankruptcy. The bankruptcy estate or the debtor also returns the compensation that had been paid for the property. If the compensation has been placed beyond the reach of the creditors and the party that paid the compensation knew or should have known that this was the intention of the debtor, there is no obligation to return the compensation. If the property to be returned no longer exists, or is otherwise not returnable, compensation for the value of the property must be made. In addition, should the return of certain property cause inconvenience to the party under such obligation, a court may entitle such party to pay compensation equal to the value of the property instead of returning the property. The Recovery Act also sets forth an obligation to compensate for any decrease in value of the returnable property.

Limitations on enforcement of guarantees

The Guarantee granted by Ramirent Finland Oy (the "Finnish Guarantor") will be limited by a general limitation that limits the scope of the guarantee to the extent the grant of such guarantee would be contrary to certain mandatory provisions of the Finnish Companies Act (*Osakeyhtiölaki*, 624/2006, as amended) (the "Finnish Companies Act"). Pursuant to such limitation, the beneficiaries of the guarantee agree to enforce the guarantee against the Finnish Guarantor only to the extent that such enforcement does not result in a breach of the mandatory regulation of the Finnish Companies Act by the Finnish Guarantor. Certain significant limitations to a company's ability to grant guarantees are included in sections 1 and 10 of chapter 13 of the Finnish Companies Act regulating the unlawful distribution of funds and prohibited financial assistance. Pursuant to the Finnish Companies Act, a Finnish limited liability company is prohibited from providing loans, guarantees, assets or security for the purpose of a third party acquiring shares in such company or its parent companies. While the matter is not entirely clear under Finnish law, the prevailing view among Finnish scholars seems to be that the financing of an acquisition of shares in a foreign direct or indirect holding company would fall outside the scope of the before mentioned prohibition provided that such foreign parent company is not a member of a group of companies controlled by a qualifying Finnish legal entity but the prohibition of financial assistance may well apply fully to all direct and indirect parent companies of the Finnish Guarantor, including foreign companies. Further, under Finnish law if a company undertakes a transaction with or for the benefit of a direct or indirect parent company or another related party on terms that deviate to the detriment of the company from arms' length terms, then this may be construed as unlawful profit distribution. The Finnish Companies Act provides that no guarantee or security may be granted (or any other transaction entered into) by a Finnish limited liability company without commercial grounds, i.e., unless doing so is in the company's own commercial interest. In assessing the existence and scope of corporate benefit to the company, all relevant circumstances, benefits and risks to the company (on a standalone basis, and any group benefit being taken into account only if and to the extent it directly or indirectly benefits the company itself) are to be taken into account. In the context of the guarantee, among other things, other guarantees and security granted or to be granted by the Finnish Guarantor for the other financing arrangements of the group companies in connection with the issue of the Notes are to be taken into consideration. The actual scope of the guarantee granted by the Finnish Guarantor may therefore be substantially less than the aggregate amount of liabilities expressed to be guaranteed and, in fact, it is possible that owing to the application of mandatory Finnish law relating to unlawful profit distribution, as applied to the guarantee, no liabilities or obligations will under Finnish law, be held to be effectively guaranteed.

For the abovementioned reasons, it is standard market practice for indentures, credit agreements and guarantees to include language pursuant to which the scope of guarantees is contractually limited so as to not be in conflict with the relevant statutory limitations. In line with this practice, the Guarantee granted by the Finnish Guarantor will contain such limitation language and thus be so limited. By operation of such limitation, the beneficiaries of the guarantee agree to enforce the guarantee against the Finnish guarantor only to the extent that such enforcement does not result in a breach of the mandatory regulation of the Finnish Companies Act by the Finnish Guarantor.

Creation of a valid security interest

Other than in respect of the creation of registered mortgages over assets belonging to certain specific asset classes (such as real estate, qualifying vehicles and intellectual property rights) capable of being the subject of registered security, the creation of a valid and enforceable security interest under Finnish law is achieved by pledging the security assets and perfecting such pledge, typically, in respect of movable assets (including shares, in case share certificates evidencing such shares have been issued), by transferring such security assets into the exclusive physical possession of the pledgee or, in respect of receivables (and shares, in case share certificates have not been issued in respect of such shares), by notifying the person from whom the receivable is owed, or the company whose shares have been pledged, of the creation of the pledge over the relevant receivables or shares. In order for the perfection to be effective, the pledgor must be effectively deprived of its right to control, deal with or dispose of the security assets. If the pledgor remains in possession of, retains exclusive or shared control over, or remains entitled to operate or collect, invest and dispose of any income from such assets, the relevant security interest will not be deemed to have been effectively created until it is duly perfected, typically after the occurrence of the agreed trigger event. Perfection cannot be achieved once insolvency proceedings have been commenced and can be deemed susceptible and be set aside in insolvency proceedings if perfected within a certain critical time period before the commencement of insolvency proceedings.

Enforcement of security

The pledge of most movable assets (such as shares) may be enforced without a court judgment or the involvement of an enforcement official or, should the pledgee deem it necessary, through official enforcement. A pledge of shares is typically enforced by private sale.

The Finnish Commercial Code (*Kauppakaari*, 3/1734, as amended) stipulates a default process in respect of an enforcement of pledge of movable assets. The parties may, as a rule, contract out most parts of the default process. The parties' discretion with regard to the enforcement methods is, however, limited (a) by the statutory invalidity of a contractual provision providing that title to the pledged asset shall, upon default, automatically transfer to the pledgee (however, the debtor and creditor may, after the pledgee has become entitled to enforce the security, effectively agree that an obligation is discharged partly or in full by the pledgee assuming ownership of the pledged asset), and (b) by the pledgee always having a duty to ascertain that the interests of the pledgor and other creditors of the pledgor are not unduly jeopardized due to the actions taken by the pledgee.

Security Granted in Favor of an Agent

It is generally possible under Finnish law to grant guarantees and security interests in favor of the secured parties represented by an agent acting on behalf of the secured parties. The concept of trust does not exist under Finnish law and unless the trustee is treated as the agent of the secured parties, the security will be invalid should Finnish law be deemed applicable.

Sweden

Applicable Insolvency Law

Any insolvency proceedings applicable to a Swedish guarantor, including any and all of its assets (in Sweden and abroad), will, as a matter of Swedish law, be governed by Swedish insolvency law (*lex fori concursus*).

As follows from the section "*EU Insolvency Regulation*" above, a Swedish entity will in principle be subject to insolvency proceedings covered by the EU Insolvency Regulation if it has its "centre of main interest" (as defined below) in Sweden. If the COMI of a debtor is in a Member State (other than Denmark), the courts of another Member State (other than Denmark) may open "territorial insolvency proceedings" or, after the commencement of a main proceeding, "secondary insolvency proceedings," in the event that such debtor possesses an "establishment" in the territory of such other Member State.

Insolvency Proceedings

Pursuant to the Swedish Bankruptcy Act (*konkurslag (1987:627)*), if a Swedish company is unable to rightfully pay its debts as they fall due and such inability is not merely temporary, it is deemed insolvent and can be declared bankrupt following a bankruptcy petition filed with the competent district court (*tingsrätt*) by the company or by a creditor of the company.

In the event of bankruptcy, the court will appoint a receiver in bankruptcy (*konkursförvaltare*) who will work in the interest of all creditors with the objective of selling the debtor's assets and distribute the proceeds among the creditors.

The purpose of bankruptcy proceedings is to wind up the company in such a way that the company's creditors receive as high a proportion of their claims as possible. The receiver in bankruptcy is required to safeguard the assets and can decide to continue the business or to close it down, depending on what is best for all creditors. In general, the receiver in bankruptcy is required to sell the assets of the debtor as soon as possible and to distribute the proceeds. In the interim, the receiver will take over the management and control of the company and the company's directors or managing director will no longer be entitled to represent the company or dispose of the company's assets.

When distributing the proceeds, the receiver must follow the mandatory provisions of the Swedish Rights of Priority Act (*förmånsrättslag* (1970:979)), as amended from time to time, that states the order in which creditors have a right to be paid. As a general principle, in bankruptcy proceedings, competing claims have equal right to payment in relation to the size of the amount claimed from the debtor's assets. However, preferential or secured creditors have the benefit of payment before other creditors.

In case of enforcement outside bankruptcy, an enforcement process is initiated by the creditor obtaining an enforcement order from the Swedish Enforcement Authority (*Kronofogden*) or the court. Upon obtaining an enforcement order against a debtor, a creditor may apply to the Swedish Enforcement Authority for enforcement of its claim. If agreed upon between a pledgor and a secured creditor and the secured creditor or its agent is in physical possession of the security assets, the agent may under certain circumstances enforce the pledge without the involvement of the Swedish Enforcement Authority or a court. See "Limitations on Enforceability due to the Swedish Reorganization Act".

Priority of Certain Creditors

As a general principle, under Swedish insolvency law, competing claims have equal right to payment in relation to the size of the amount claimed from the debtor's assets. However, some preferential and secured creditors, where such preference or security may arise as a consequence of law, have the benefit of payment before other creditors. There are two types of preferential rights: specific and general preferential rights. Specific preferential rights apply to certain specific property and give the creditor a right to payment from such property. General preferential rights cover all property belonging to the insolvent company's estate in bankruptcy which is not covered by specific preferential rights and give the creditor a right to payment from such property. Claims that do not carry any of the abovementioned preferential rights or exceed the value of the security provided for such claim (to the extent of such excess), are non-preferential and are of equal standing as against each other.

Challengeable Transactions

In bankruptcy and corporate reorganization, transactions can (in certain circumstances and subject to a time limit) be reversed and the goods or monies can then be returned to the bankruptcy estate or the company subject to company reorganization. Broadly, these transactions include, among others, situations where the debtor has conveyed property fraudulently or preferentially to one creditor to the detriment of its other creditors before the initiation of the relevant insolvency proceedings, created a new security interest, granted a guarantee or security that was either not stipulated at the time when the secured obligation arose or not perfected without delay after such time and the delay is not considered to be ordinary, or paid a debt that is not due or that is considerable compared to the value of the debtor's assets or if the payment is made by using unusual means of payment. In the majority of situations, a claim for recovery can be made concerning actions that were made during the three months preceding the commencement of the relevant insolvency proceedings. In certain situations, longer time limits apply and in others there are no time limits. These include, among others, situations where the other party to an agreement or other arrangement is deemed to be a closely related party to the debtor such as a subsidiary or parent company.

Limitations on Enforceability due to the Swedish Reorganization Act

The Swedish Reorganization Act (*lag* (1996:764) *om företagsrekonstruktion*) provides companies facing difficulty in meeting their payment obligations with an opportunity to resolve these without being declared bankrupt. A corporate reorganization shall, as a main rule, terminate within three months from commencement but may under certain conditions be extended by additional three month periods for up to one year in total form the commencement of the reorganization.

An administrator (*rekonstruktör*) is appointed by the court and supervises the day-to-day activities and safeguards the interests of creditors as well as of the debtor. However, the debtor remains in full possession of the business except that, for important decisions such as paying a debt that has fallen due prior to the order of reorganization, granting security for a debt that arose prior to the order, undertaking new obligations or transferring, pledging or granting rights in respect of assets of a substantial value for the business, the consent of the administrator is required.

The corporate reorganization proceedings do not have the effect of terminating contracts with the debtor and, during the corporate reorganization, the debtor's business activities continue in the ordinary course of business. However, the corporate reorganization includes a suspension of payments to creditors and the debtor cannot pay a debt that fell due prior to the order without the consent of the administrator, and such consent may only be granted should there be exceptional reasons for doing so and any petition for bankruptcy in respect of the debtor will be stayed. A moratorium also applies to execution in respect of a claim or enforcement of security during a corporate reorganization unless the security assets are in the physical possession of the secured creditor or any agent acting on behalf of such creditor, which for example is the case with a share pledge over the shares in a Swedish limited liability company where the share certificates representing such shares have been delivered to the agent and with a Swedish law governed pledge over a receivable documented by a negotiable debt instrument where the negotiable debt instrument has been delivered to the agent.

During reorganization proceedings, the debtor may apply to the court requesting public composition proceedings (*offentligt ackord*), which means that the amount of a creditor's claim may be reduced. The proposal for a public composition must meet certain requirements such as that a sufficient proportion of the creditors which are allowed to vote, in respect of a sufficient proportion of the outstanding claims, vote in favor of such public composition. Creditors with set-off rights and secured creditors will not participate in the composition unless they wholly or partly waive their set-off rights or priority rights. Should the security not cover a secured creditor's full claim, the remaining claim will, however, be part of a composition. A creditors' meeting is convened to vote on the proposed composition. The public composition is a binding proceeding.

Liquidation due to Capital Deficiency

Pursuant to the Swedish Companies Act (*aktiebolagslag* (2005:551)) whenever a company's board of directors has reason to assume that the company's equity is less than half of the registered share capital, the company's board of directors shall prepare a balance sheet for liquidation purposes (*kontrollbalansräkning*) and, if applicable, have it reviewed by the company's auditors. The same obligation arises if the company in connection with enforcement pursuant to Chapter 4 of the Swedish Enforcement Code (*utsökningsbalk* (1981:774)) is determined to not have sufficient seizeable assets.

If the balance sheet for liquidation purposes shows that the equity of the company is less than half of the registered share capital, the board of directors shall, as soon as possible, give notice of a general meeting at which it shall be considered whether the company shall be liquidated (the "first control general meeting"). If the control balance sheet presented at the first control general meeting does not show that the equity of the company amounts to, at least, the registered share capital and the first control general meeting has not resolved to liquidate the company, the question of whether the company shall be liquidated must be reconsidered at a second control general meeting within eight months of the first control general meeting. Prior to the second control general meeting a new balance sheet for liquidation purposes must be prepared and reviewed by the company's auditors (if applicable).

A shareholders' resolution on liquidation of the company shall be registered with the Swedish Companies Registration Office (*Bolagsverket*), which shall appoint a liquidator (*likvidator*). Should the shareholders not resolve on a voluntary liquidation where required (which is where (i) a second shareholders' meeting is not held within the period of time stated above, or (ii) the new special balance sheet which was presented at the second shareholders' meeting was not reviewed by the company's auditor or fails to show that, on the date of such meeting, the equity of the company amounts to at least the registered share capital) the court shall put the company into compulsory liquidation and appoint a liquidator. The liquidator takes over management and control of the company and shall sell the company's assets and settle the company's debts with the proceeds. The liquidator shall give notice to the company's unknown creditors and creditors that have not lodged their claims with the liquidator within six months following such notice will have forfeited their rights to their claims.

Limitations on the Value of a Guarantee or Security Interest

If a Swedish limited liability company provides any security interest or guarantee without receiving sufficient corporate benefit in return, such security interest or guarantee will, in whole or in part, be considered a distribution of assets or another value transfer, which will be lawful only to the extent there is sufficient coverage for the restricted equity capital of the Swedish limited liability company immediately after the deemed distribution (i.e., at the time the guarantee is provided or the security is granted). Furthermore, the provision of a guarantee or security by a Swedish limited liability company to guarantee and/or secure the obligations of its parent or sister company is prohibited unless certain exceptions apply such that they belong to the same group of companies and the parent company of that group is domiciled within the European Economic Area (EEA) or if the company provides the guarantee and/or security for purely commercial reasons and is intended exclusively for the borrower's business operations. It should also be noted that laws relating to financial assistance in Sweden prohibit limited liability companies incorporated in Sweden from providing guarantees or other credit support for obligations of any person where such obligations are being incurred for the purpose of acquiring shares in the company itself or in any other superior member of the same Swedish group of companies. The guarantees of and security granted by the Swedish guarantors are limited in accordance with the above restrictions relating to corporate benefit and are subject to limitation language limiting the liability of such entities thereunder if required by the above restrictions relating to value transfers or financial assistance.

Security Granted in Favor of an Agent

It is generally possible under Swedish law to grant guarantees and security interests in favor of the secured parties represented by the agent acting on behalf of the secured parties. However, it is not established by judicial precedent or otherwise by law that a power of attorney or a mandate of agency, including the appointment of an agent (including any agent for service of process), can be made irrevocable. Therefore, any powers of attorney or mandates of agency can be revoked and will terminate by operation of law and without notice at the bankruptcy or temporal demise of the party giving such powers. The concept of trust does not exist under Swedish law and unless the trustee is treated as the agent of the secured parties, the security will be invalid should Swedish law be deemed applicable.

PLAN OF DISTRIBUTION

The Issuer, the Guarantors and Crédit Agricole Corporate and Investment Bank, BNP Paribas, Deutsche Bank Aktiengesellschaft, Barclays Bank Ireland PLC, BofA Securities Europe SA, Crédit Industriel et Commercial S.A., J.P. Morgan SE, Natixis, and Société Générale, as initial purchasers, will enter into a purchase agreement dated February 1, 2022 with respect to the Notes. Subject to the terms and conditions set forth in the purchase agreement, we have agreed to sell the Notes to the initial purchasers.

The obligations of the initial purchasers under the purchase agreement, including their agreement to purchase the Notes from us, are several and not joint. The purchase agreement provides that the initial purchasers are obligated to purchase all of the Notes if any of them are purchased. The purchase agreement also provides that, if an initial purchaser defaults, the purchase commitments of non-defaulting initial purchasers may be increased or, in some cases, the offering may be terminated. We have agreed to pay the initial purchasers certain customary fees for their services in connection with this offering and to reimburse them for certain out-of-pocket expenses. We have agreed to indemnify the initial purchasers against certain liabilities, including liabilities under the Securities Act, or to contribute to payments the initial purchasers may be required to make in respect of those liabilities.

The initial purchasers propose to offer the Notes initially at the offering price set forth on the cover page of this listing prospectus and may also offer the Notes to selling group members at the offering price less a selling concession. After the initial offering, the offering price may be changed. The initial purchasers may make offers and sales in the United States through their respective U.S. broker-dealer affiliates.

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 of this listing prospectus.

The Notes will be a new issue of securities for which there is currently no market. We have applied to admit the Notes to listing on the Official List of the Luxembourg Stock Exchange and to trading on the Euro MTF, but there can be no assurance that such listing will be maintained.

The initial purchasers have advised us that they intend to make a market in the Notes as permitted by applicable law. The initial purchasers are not obliged, however, to make a market in the Notes, and any market-making activity may be discontinued at any time at its sole discretion without notice. In addition, any such market-making activity will be subject to the limits imposed by the Securities Act and the Exchange Act. Accordingly we cannot assure you that any market for the Notes will develop or 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 that will be favorable to you.

Crédit Agricole Corporate and Investment Bank (or persons acting on its behalf) may engage in over-allotment, stabilizing transactions, covering transactions and penalty bids in accordance with Regulation M under the Exchange Act. Over-allotment involves sales in excess of the offering size, which creates a short position for the initial purchasers. Stabilizing transactions permit bids to purchase the underlying security so long as the stabilizing bids do not exceed a specified maximum. Covering transactions involve purchases of the Notes in the open market after the distribution has been completed in order to cover short positions. Penalty bids permit the initial purchasers to reclaim a selling concession from a broker/dealer when the Notes originally sold by such broker/dealer are purchased in a stabilizing or covering transaction to cover short positions. These stabilizing transactions, covering transactions and penalty bids may cause the price of the Notes to be higher than it would otherwise be in the absence of these transactions. These transactions, if commenced, may be discontinued at any time.

From time to time, the initial purchasers and their affiliates have provided, and may in the future provide, investment banking and commercial banking and lending services to us and our affiliates for which they have received or may receive customary fees and commissions. For example, certain of the initial purchasers or their affiliates are lenders and/or agents under the Revolving Credit Facility Agreement.

Certain of the initial purchasers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services for, the Issuer and their affiliates in the ordinary course of business. 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 Issuer or Issuer's affiliates (including the Notes). Certain of the initial purchasers or their affiliates that have a lending relationship with the Issuer or its affiliates routinely hedge, are likely to hedge or may hedge their credit exposure to the Issuer and/or affiliates consistent with their customary risk management policies. Typically, such initial purchaser and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in securities (including potentially the Notes). Any such short positions could adversely affect future trading prices of Notes. The initial purchasers and their affiliates may also make investment recommendations and/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 and/or short positions in such securities and instruments.

The proceeds from the offering of the Notes, together with cash on hand, will be used to redeem in full the outstanding aggregate principal amounts of our 2022 Senior Secured Notes and our 2023 Senior Secured Notes and to pay the fees and expenses related to the offering. Certain of the initial purchasers and/or their affiliates may hold 2022 Senior Secured Notes and/or 2023 Senior Secured Notes and therefore may receive a portion of the offering proceeds in connection with the redemption thereof.

We expect that delivery of the Notes will be made to investors on or about February 10, 2022, which will be business days following the date of this listing prospectus (such settlement being referred to as "T+7"). Under Rule 15c6-1 under the Exchange Act of 1934, trades in the secondary market are required to settle in two business days, unless the parties to any such trade expressly agree otherwise. Accordingly, purchasers who wish to trade Notes prior to the delivery of the Notes hereunder will be required, by virtue of the fact that the Notes initially settle T+7, to specify an alternate settlement arrangement at the time of any such trade to prevent a failed settlement. Purchasers of the Notes who wish to trade the Notes prior to their date of delivery hereunder should consult their advisors.

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.

We have not registered and will not register the Notes under the Securities Act and, therefore, the Notes 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 Securities Act. Accordingly, we are offering and selling the Notes to the initial purchasers for re-offer and resale only:

- in the United States to ''qualified institutional buyers,'' commonly referred to as ''QIBs,'' as defined in Rule 144A in compliance with Rule 144A; and

- 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.

Each purchaser of Notes will be deemed to have represented and agreed as follows (terms used in this paragraph that are defined in Rule 144A or Regulation S are used herein as defined therein):

(1) The purchaser (A) (i) is a qualified institutional buyer, (ii) is aware that the sale to it is being made in reliance on Rule 144A and (iii) is acquiring such Notes for its own account or for the account of a qualified institutional buyer or (B) is purchasing such Notes outside of the United States in an offshore transaction pursuant to Regulation S.

(2) The purchaser understands that the Notes are being offered in a transaction not involving any public offering in the United States within the meaning of the Securities Act, that such Notes have not been and will not be registered under the Securities Act or any state securities law, and that (A) if in the future it decides to offer, resell, pledge or otherwise transfer any of the Notes, such Notes may be offered, resold, pledged or otherwise transferred only (i) to the Issuer, (ii) in the United States to a person whom the seller reasonably believes is a qualified institutional buyer in a transaction meeting the requirements of Rule 144A, (iii) outside the United States in a transaction complying with the provisions of Rule 903 or Rule 904 under the Securities Act, (iv) pursuant to an exemption from registration under the Securities Act provided by Rule 144 (if available), (v) pursuant to another available exemption from registration under the Securities Act, or (vi) pursuant to an effective registration statement under the Securities Act, in each of cases (i) through (vi) in accordance with any applicable securities laws of any State of the United States; and (B) the purchaser will, and each subsequent holder is required to, notify any subsequent purchaser of the Notes from it of the resale restrictions referred to in (A) above. Investors should be aware that they may be required to bear the financial risks of this investment for an indefinite period of time.

(3) The foregoing transfer restrictions will remain applicable to the earlier of payment in full of the Notes outstanding, registration of the Notes under the Securities Act and the date or dates on which the Notes are fully transferable without registration of the Notes under the Securities Act.

(4) The purchaser has been afforded an opportunity to ask questions to us, and to request from us and to review, and has received and reviewed, all additional information considered by it to be necessary to verify the accuracy of the information in this listing prospectus and has not relied on the initial purchasers or any person affiliated with the initial purchasers in connection with its investigation of the accuracy of the information contained in this listing prospectus or any additional information or in connection with its investment decision. The purchaser acknowledges that neither the initial purchasers nor any person representing the initial purchasers has made any representation to it with respect to either us or the offering of the Notes. The initial purchasers reserve the right to reject any offer to purchase Notes, in whole or in part, for any reason.

(5) It is purchasing the Notes for its own account, or for one or more investor accounts for which it is acting as a fiduciary or agent, in each case for investment, and not with a view to, or for offer or sale in connection with, any distribution thereof in violation of the Securities Act or any state securities laws, subject to any requirement of law that the disposition of its property or the property of such investor account or accounts be at all times within its or their control and subject to its or their ability to resell such Notes pursuant to Rule 144A, Regulation S or any other exemption from registration available under the Securities Act.

(6) If the purchaser is a purchaser of Notes offered in reliance on the exemption from registration provided by Rule 144A (the "Rule 144A Notes" or "Restricted Notes"), such purchaser acknowledges and agrees that, until the expiration of the applicable holding period with respect to such Notes set forth in Rule 144(d) of the Securities Act, such Notes may be offered, sold or otherwise transferred only:

(A) to the Issuer or a subsidiary thereof;

(B) pursuant to an effective registration statement under the Securities Act (the Issuer having no obligation to effect any such registration);

(C) to a QIB in compliance with Rule 144A;

(D) in an offshore transaction complying with Rule 903 or Rule 904 of Regulation S; or

(E) pursuant to any other available exemption from registration requirements of the Securities Act;

provided that as a condition to registration of transfer of such Notes, we, the Trustee, the Registrar or the Transfer Agent may require delivery of any documents or other evidence that the Issuer, the Trustee or the fiscal agent each, in their discretion, deem necessary or appropriate to evidence compliance with one of the exemptions referred to above, and, in each case, in accordance with the applicable securities laws of the states of the United States and other jurisdictions.

Such purchaser also acknowledges that each Rule 144A Note will contain a legend substantially to the following effect:

THIS LEGEND SHALL BE REMOVED SOLELY AT THE OPTION OF THE ISSUER.

THIS NOTE (OR ITS PREDECESSOR) WAS ORIGINALLY ISSUED IN A TRANSACTION EXEMPT FROM REGISTRATION UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), AND THIS NOTE MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED IN THE ABSENCE OF SUCH REGISTRATION OR AN APPLICABLE EXEMPTION THEREFROM. EACH PURCHASER OF THIS NOTE IS HEREBY NOTIFIED THAT THE SELLER OF THIS NOTE MAY BE RELYING ON THE EXEMPTION FROM THE PROVISIONS OF SECTION 5 OF THE SECURITIES ACT PROVIDED BY RULE 144A THEREUNDER. BY ITS ACQUISITION HEREOF OR OF A BENEFICIAL INTEREST HEREIN, THE ACQUIRER:

(1) REPRESENTS THAT IT, AND ANY ACCOUNT FOR WHICH IT IS ACTING, IS A "QUALIFIED INSTITUTIONAL BUYER" (WITHIN THE MEANING OF RULE 144A UNDER THE SECURITIES ACT) AND THAT IT EXERCISES SOLE INVESTMENT DISCRETION WITH RESPECT TO EACH SUCH ACCOUNT;

(2) AGREES FOR THE BENEFIT OF THE ISSUER THAT THIS NOTE MAY BE OFFERED, RESOLD, PLEDGED OR OTHERWISE TRANSFERRED, ONLY (I) TO THE ISSUER OR A SUBSIDIARY OF THE ISSUER, (II) IN THE UNITED STATES TO A PERSON WHOM THE SELLER REASONABLY BELIEVES IS A

QUALIFIED INSTITUTIONAL BUYER (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT) IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A, (III) OUTSIDE THE UNITED STATES IN AN OFFSHORE TRANSACTION IN ACCORDANCE WITH RULE 903 OR RULE 904 UNDER THE SECURITIES ACT, (IV) PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT PROVIDED BY RULE 144 THEREUNDER (IF AVAILABLE), (V) PURSUANT TO ANOTHER AVAILABLE EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT, OR (VI) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT, IN EACH OF CASES (I) THROUGH (VI) IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES.

PRIOR TO THE REGISTRATION OF ANY TRANSFER IN ACCORDANCE WITH THE FOREGOING, THE ISSUER, THE TRUSTEE, THE REGISTRAR AND THE TRANSFER AGENT RESERVE THE RIGHT TO REQUIRE THE DELIVERY OF SUCH LEGAL OPINIONS, CERTIFICATIONS, OR OTHER EVIDENCE AS MAY REASONABLY BE REQUIRED IN ORDER TO DETERMINE THAT THE PROPOSED TRANSFER IS BEING MADE IN COMPLIANCE WITH THE SECURITIES ACT AND APPLICABLE STATE SECURITIES LAWS. NO REPRESENTATION IS MADE AS TO THE AVAILABILITY OF ANY EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT."

(7) If the purchaser is a purchaser of Notes offered in reliance on the exemption from registration provided by Regulation S (the "Regulation S Notes"), such purchaser acknowledges and agrees that the Regulation S Notes will, unless otherwise agreed by the Issuer and the holder thereof, bear a legend substantially to the following effect (the "Regulation S Legend"):

THIS NOTE (OR ITS PREDECESSOR) WAS ORIGINALLY ISSUED IN A TRANSACTION EXEMPT FROM REGISTRATION UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), AND MAY NOT BE TRANSFERRED IN THE UNITED STATES EXCEPT PURSUANT TO AN AVAILABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND ALL APPLICABLE STATE SECURITIES LAWS. TERMS USED ABOVE HAVE THE MEANINGS GIVEN TO THEM IN REGULATION S UNDER THE SECURITIES ACT.

(8) If the purchaser is in the European Economic Area, it is not a "retail investor", where 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 Article 2 of the Prospectus Regulation.

(9) If the purchaser is in the United Kingdom, it is not a "retail investor", where 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 thereunder to implement the Insurance Distribution Directive, 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.

(10) The purchaser is a person who (i) has professional experience in matters relating to investments falling within Article 19(5) of the Financial Promotion Order, (ii) is a person falling within Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc.) of the Financial Promotion Order, (iii) is outside the United Kingdom or (iv) is a person to whom an invitation or inducement to engage

in investment activity within the meaning of section 21 of the FSMA in connection with the issue or sale of any securities may otherwise lawfully be communicated or caused to be communicated.

(11) The purchaser acknowledges that the Issuer, the initial purchasers and others will rely upon the truth and accuracy of the above acknowledgments, representations and agreements. The purchaser agrees that if any of the acknowledgments, representations or agreements it is deemed to have made by its purchase of Notes is no longer accurate, it will promptly notify the Issuer and the initial purchasers. If such purchaser is purchasing any Notes as a fiduciary or agent for one or more investor accounts, such purchaser represents that it has sole investment discretion with respect to each of those accounts and that it has full power to make the above acknowledgments, representations and agreements on behalf of each account.

Rule 144A Notes may be exchanged for notes not bearing the Restricted Notes Legend but bearing the Regulation S Legend upon certification by the transferor in the form set forth in the indentures that the transfer of any such Restricted Note has been made in accordance with Rule 903 or Rule 904 under the Securities Act, provided that as a condition to registration of transfer of such Notes, we, the Trustee, the Registrar or the Transfer Agent may require delivery of any documents or other evidence that the Issuer or the Trustee each, in their discretion, deem necessary or appropriate to evidence compliance with one of the exemptions referred to above.

LEGAL MATTERS

Certain legal matters in connection with the validity of the Notes will be passed on for us by Latham & Watkins AARPI, who are acting as our special United States counsel and our French legal advisors, by Latham & Watkins (London) LLP, who are acting as our English legal advisors, and by Roschier, Attorneys Ltd., who are acting as our Swedish and Finnish advisors. The initial purchasers have been represented by Shearman & Sterling (London) LLP as to matters of United States, French and English law.

STATUTORY AUDITORS

The consolidated financial statements for Loxam as of and for the years ended December 31, 2018, 2019 and 2020, an English translation of which is included in this listing prospectus, have been audited by KPMG Audit, a division of KPMG S.A., and Constantin Associés (a member of Deloitte Touche Tohmatsu Limited), statutory auditors, as stated in the free English translation of their reports appearing therein. The unaudited condensed consolidated interim financial statements as of and for the nine months ended September 30, 2021, an English translation of which is included in this listing prospectus, have been reviewed by our statutory auditors, as stated in the free English translation of their reports appearing therein.

SERVICE OF PROCESS AND ENFORCEMENT OF LIABILITIES

France

The Issuer and certain of the Guarantors are entities organized under the laws of France with their registered offices or principal places of business in France (the "**French Entities**"). The directors, officers and other executives of the French Entities are neither residents nor citizens of the United States (the "F**rench 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 be difficult for investors to effect service of process within the United States on such persons.

It may also be difficult to enforce against the Issuer, either inside or outside the United States, judgments obtained against them in U.S. courts, or to enforce in U.S. courts, judgments obtained against them in courts in jurisdictions outside the United States, in any action based on civil liabilities under the U.S. federal securities laws. There is some doubt as to the enforceability against such persons in France, whether in original actions or in actions to enforce judgments of U.S. courts, of liabilities based solely on the U.S. federal securities laws. 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.

Additionally, awards of punitive damages in actions brought in the United States or elsewhere may be unenforceable in France. As there is no French legislation concerning the enforceability of punitive damages in France, case law must be looked at. Until a decision rendered by the French Supreme Court (*Cour de cassation*) on December 1, 2010 (No. 1090 FS + P +B + R + I – Appeal No. W 09-13.303), French courts considered that punitive damages constituted a violation of French international public order and refused to order exequatur for American judgments granting such punitive damages. The rationale behind this rule was that punishment is usually a matter for criminal law which provides that criminal offenses and penalties must be provided for by law (*principe de légalité des délits et des peines*) and be proportionate to what has been committed (*principe de proportionnalité des peines*). In a decision rendered on December 1, 2010, the French Supreme Court reversed the prevailing rule and finally held that punitive damages could be in accordance with French international public policy if the amounts of punitive damages are proportionate with (i) the harm suffered, and (ii) the breach of contract / tort committed by the defendant. To our knowledge, since this decision of the French Supreme Court, a few first instance tribunal and courts of appeal have been rendered on the question of enforcing judgments for punitive damages.

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 the 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 judiciaire*) 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 (i)), the choice of the U.S. court was not fraudulent (ii) and the French courts did not have exclusive jurisdiction over the matter (iii);

- 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. judgement 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. 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) 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 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, in accordance with 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 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 (Cass. 1ère Civ. February 7, 2018, n° 16-24.497; Cass. 1re civ, October 3rd 2018, n° 17-21.309) its earlier decisions rendered in 2015 (Civ. 1ère, October 7. 2015, n°14-16.898; Cass. 1re civ, March 25, 2015, n°13-27.264) and 2012 (Cass. 1re civ, September 26, 2012, n° 11-26.022).

However, note that 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). To the best of our knowledge, the French Supreme Court has only once ruled on the issue under Regulation (EU) No 1215/2012 (Cass. 1ère Civ. July 11, 2019)). However, this isolated decision does not allow us at this stage to state that the above-mentioned principle is confirmed in the context of Brussels I Regulation (Recast).

England and Wales

There is no treaty between the United States and the United Kingdom providing for the reciprocal recognition and enforcement of court judgments in civil and commercial matters (although the United States and the United Kingdom are both parties to the 1958 New York Convention on the Recognition and Enforcement of Foreign Arbitral Awards). As a result, a final judgment rendered by any federal or state court in the United States based on civil liability, whether or not predicated solely upon U.S. federal securities law, would not automatically be recognized or enforced in England and Wales. In order to "enforce" any such judgment in England and Wales, new proceedings must be initiated by way of civil law action on the judgment debt before a court of competent jurisdiction in England and Wales. In this type of action, an English court generally will not (subject to the matters identified below) re-try or re-examine the merits of the original matter decided by a U.S. court, and it would usually be possible to obtain summary judgment, provided that:

- the relevant U.S. court had jurisdiction (under English rules of private international law) to give the judgment; and
- the judgment is final and conclusive on the merits and is for a definite sum of money (not being a sum payable in respect of taxes or other charges of a like nature or in respect of a fine or other penalty or otherwise based on a U.S. law that an English court considers to be a penal, revenue or other public law).

An English court may refuse to enforce such a judgment, however, if it is established that:

- the recognition and enforcement of the judgment would contravene public policy or statute in England and Wales;
- the recognition and enforcement of the judgment is prohibited by statute (including, without limitation, if the amount of the judgment has been arrived at by doubling, trebling or otherwise multiplying a sum assessed as compensation for the loss or damage sustained);
- the enforcement proceedings were not commenced within the relevant limitation period;
- before the date on which the U.S. court gave judgment, the issues in question had been the subject of a final judgment of an English court or of a court of another jurisdiction whose judgment is entitled to recognition in England and which final judgment conflicts with the judgment of the U.S. court;
- the judgment has been obtained by fraud or in proceedings in which the principles of natural or substantial justice were breached;
- the bringing of proceedings in the relevant U.S. court was contrary to an agreement under which the dispute in question was to be settled otherwise than by proceedings in that court (to whose jurisdiction the judgment debtor did not submit);

- recognition and enforcement of the judgment is restricted by the provisions of the Protection of Trading Interests Act 1980; or
- an order has been made and remains effective under section 9 of the UK Foreign Judgments (Reciprocal Enforcement) Act 1933 applying that section to U.S. courts including the relevant U.S. court.

If an English court gives judgment for the sum payable under a U.S. judgment, the English judgment will be enforceable by methods generally available for this purpose. The English court generally has discretion to prescribe the manner of enforcement. In addition, it may not be possible to obtain an English judgment or to enforce that judgment if the judgment debtor is subject to any insolvency or similar proceedings, or if the judgment debtor has any set-off or counterclaim against the judgment creditor. Subject to the foregoing, investors may be able to enforce in England and Wales judgments in civil and commercial matters obtained from U.S. federal or state courts in the manner described above using the methods available for enforcement of a judgment of an English court.

It is, however, uncertain whether an English court would impose liability on Nationwide Platforms or such persons in an action predicated upon the U.S. federal securities law brought in England and Wales.

Finland

As there is no treaty on the reciprocal recognition and enforcement of judgments (other than arbitration awards) in civil and commercial matters between the United States and Finland, courts in Finland will not automatically recognize and enforce a final judgment rendered by a U.S. court. Under Finnish law, a Finnish title for execution (i.e., a Finnish court judgment) is required for such recognition and enforcement; in seeking a Finnish court judgment or order to such effect, a judgment of a U.S. court will constitute circumstantial evidence of the questions of fact in the case concerned and evidence of the governing law as applied to the matter in dispute. The application by a Finnish court of foreign law in a matter brought before it is subject to (a) the foreign law not being contrary to such mandatory rules of Finnish law that due to their public nature or general interest would be considered applicable irrespective of the agreed choice of law; and (b) the application of the foreign law not resulting in an outcome contrary to the public policy (ordre public) of the Finnish legal system.

As to types of damages awarded, punitive or exemplary damages are unenforceable under Finnish law and a Finnish court may only award damages to the extent that they form compensation for actual losses and damages as proven by the claimant. Contractual penalties (regardless of proof of actual damage) are, however, as a general rule enforceable. A feature of the Finnish civil procedure is that the burden of proof with respect to any claims presented lies with the claimant. A party to legal proceedings in Finland is also ordinarily expected to plead its case primarily on the basis of the evidence in its own possession. U.S. notions of discovery, including the expectation that broadly defined categories of documents and information in the possession of third parties will be readily accessible for use as evidence, are not recognized under Finnish law. The availability of documentation in the possession of counterparties or third parties is very limited. Depositions are also a form of taking evidence unknown to Finnish law. In Finland, witness testimony is usually only taken at a separate oral main hearing (comparable to a U.S. trial) after the preparatory phase of the proceedings.

Enforcement is also subject to the effect of any applicable bankruptcy, insolvency, reorganization or moratorium as well as other similar mandatory laws affecting creditors' rights generally.

Sweden

It is not established by Swedish judicial precedent or otherwise by Swedish law that a power of attorney or a mandate of agency, including the appointment of a service of process agent, can be made irrevocable and therefore any powers of attorney or mandates of agency issued by a Swedish party can be revoked and will terminate by operation of law and without notice at the bankruptcy or temporal demise of the Swedish party giving such powers.

Pursuant to the provisions of the Regulation (EU) No. 1215/2012 of December 12, 2012 of the European Parliament and of the Council on the jurisdiction, recognition and enforcement of judgments in civil and commercial matters (recast) (the "Brussels Regulation"), a judgment entered against a company in the courts of a Member State (as defined therein, i.e., all Member States of the European Union) and which is enforceable in such a Member State, will be directly enforceable in Sweden without any declaration of enforceability being required. The applicant will need to provide the competent enforcement authority, in accordance with of the

Swedish Enforcement Act (*Utsökningsbalk 1981:774*), with a copy of the judgment and a certificate certifying that the judgment is enforceable, as further described in the Brussels Regulation. However, upon an application against the enforcement pursuant to the Brussels Regulation the court with which the application is lodged may refuse enforcement.

With regard to the provisions of the 2007 Lugano Convention on the Recognition of Judgments in Civil and Commercial Matters (the "Lugano Convention"), a judgment entered against a company in the courts of a Contracting State (as defined in the Lugano Convention) and which is enforceable in such a state, will be directly enforceable in Sweden provided that the concerned party has submitted an application for declaration of enforceability to the appropriate Swedish district court (*tingsrätt*) and comply with the proceedings of that court and, if the judgment is declared enforceable, apply to the Swedish Enforcement Agency for enforcement in accordance with the Swedish Enforcement Act (*Utsökningsbalk* 1981:774) and comply with the relevant proceedings.

Judgments entered against any Swedish party in the courts of a state which is not a member state of the European Union or a contracting state under the terms of the Lugano Convention (e.g., the United States) would not be recognized or enforceable in Sweden as a matter of right without retrial on its merits. If the party in whose favor the final judgment is rendered brings a new suit in a competent court in Sweden, the party may, however, submit to the Swedish court the final judgment that has been rendered in the United States. A judgment by a court in the United States will be regarded by a court, administrative tribunal or executive or other public authority of the Kingdom of Sweden only as evidence of the outcome of the dispute to which the judgment relates, and a Swedish court may choose to rehear the dispute ab initio.

Any legal proceedings in the courts of Sweden will be conducted in Swedish and a court or enforcement authority in Sweden may require, as a further condition for admissibility and/or enforceability the translation into Swedish of any relevant document, and assistance from Swedish authorities in the service of process in connection with foreign proceedings might require the observance of certain procedural and other regulations.

Swedish courts may award judgments or give awards in currencies other than the local currency, but the judgment debtor has the right under the laws of Sweden to pay the judgment debt (even though denominated in a foreign currency) in the local currency at the rate of exchange prevailing at the date of payment (however, the judgment creditor may, subject to availability of the foreign currency, convert such local currency into the foreign currency after payment and remove such foreign currency from Sweden), and a choice of currency provisions by the parties to an agreement may not be upheld by Swedish courts to constitute a right to refuse payment in Swedish kronor.

GENERAL INFORMATION

Listing

Application has been made to the Exchange for the listing of and permission to deal in the Notes on the Official List of the Exchange.

We will maintain a listing agent in Luxembourg for as long as any of the Notes are listed on the Official List of the Exchange. We reserve the right to vary such appointment and we will provide notice of such change of appointment to holders of the Notes and the Exchange.

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 and the rules of the Luxembourg Stock Exchange require, copies of the following documents, including any future amendments, may be inspected and obtained free of charge at the specified office of the listing agent in Luxembourg during normal business hours on any weekday:

- copies of our articles of association (statuts) and the articles of association of the Guarantors;
- this listing prospectus;
- the Indentures relating to the Notes, which include the Guarantees and the forms of the Notes; and
- the Security Documents.

Legal Information

The Issuer

The Issuer is a French limited liability company (*société par actions simplifiée*). The Issuer was formed on November 24, 2003 for a term of 99 years under the name "Bailelan" which changed into "Loxam Holding," and, on July 29, 2011, it merged with Loxam S.A. and changed our legal name to "Loxam." The Issuer is registered under number 450 776 968 RCS Lorient. Its registered office is at 265, rue Nicolas Coatanlem, 56850 Caudan, France and its principal executive office is located at Immeuble Le Cap, 8, rue Félix Pyat, 92800 Puteaux, France. The Issuer's telephone number is +33 1 58 44 04 00.

As of the date of this listing prospectus, the Issuer's authorized share capital is €222,559,930 divided into 22,255,993 shares with a nominal value of €10 each, divided into 19,491,521 class A shares, 2,664,471 class B shares and 100,001 ordinary registered voting shares, all of which were issued and outstanding.

Pursuant to Article 3 of our articles of association, our corporate purpose is the following:

- the study, creation, implementation, exploitation, direction and management of all commercial, industrial, real estate or financial activities or enterprises,
- the acquisition, lease, rental, with or without a promise to sell, construction and exploitation of all factories, workshops, offices and premises,
- the acquisition, sale, rental of all equipment for civil engineering, agriculture, materials handling or transportation, whether fixed, movable or rolling, machines and tools, as well as all land, sea or air vehicles, and the exploitation of such equipment for the realization of works by the public or by individuals,
- the direct or indirect participation in all operations or enterprises by creating companies, establishments or groups with a real estate, commercial-industrial or financial purpose, through participation in their incorporation or by increasing the capital of existing companies,
- the management of a portfolio of holdings and securities and related activities,
- the ownership and management of all buildings, and

- more generally, all industrial, commercial-financial activities or activities relating to property or real estate that could directly or indirectly relate to one of the objects specified above or to any other similar or related purpose.

We have obtained all necessary consents, approvals and authorizations in our jurisdiction of incorporation in connection with the issuance and performance of the Notes. The issue of the Notes was authorized pursuant to decisions of the Chairman and CEO of Loxam, adopted on January 31, 2022.

The Guarantors

Nationwide Platforms Limited

Nationwide Platforms Limited is a private limited company established under the laws of England and Wales and was incorporated on June 17, 1988. Nationwide Platforms is registered with the Companies House under company number 02268921. The fiscal year of Nationwide Platforms ends on December 31. The registered office of Nationwide Platforms is located at 15 Midland Court Central Park, Lutterworth, Leicestershire, LE17 4PN and its telephone number at that address is +44 (0) 1455 558874.

As of the date of this listing prospectus, Nationwide Platforms has an issued and outstanding share capital of 250,000 ordinary shares with a nominal value of £1.00 each. All shares have been issued and fully paid up. Pursuant to its Memorandum of Association, the corporate purposes of Nationwide Platforms are the objects listed therein in paragraph 3.

Loxam Module SAS

Loxam Module SAS is a French limited liability company (*société par actions simplifiée*) formed on December 12, 2000 for a term of 99 years. It is registered under number 433 911 948 RCS Lorient. Its registered office is at 265, rue Nicolas Coatanlem, 56850 Caudan, France and its principal executive office is located at Immeuble Le Cap, 8, rue Félix Pyat, 92800 Puteaux, France. Its telephone number is +33 1 58 44 04 00.

As of the date of this listing prospectus, the authorized share capital of Loxam Module SAS was €487,500.00 divided into 32,500 ordinary registered voting shares with a nominal value of €15 each, all of which were issued and outstanding.

Pursuant to its articles of association, the corporate purpose of Loxam Module are the objects listed therein in article 4.

Ramirent Finland Oy

Ramirent Finland Oy is a limited liability company incorporated in Finland with business identity code 2077956-8 and was registered on December 7, 2006 with the Finnish Patent and Registration Office. The fiscal year of Ramirent Finland Oy ends on December 31. The registered office of Ramirent Finland Oy is Tapulikaupungintie 37, FI-00750 Helsinki, Finland.

As at the date of this listing prospectus, the share capital of Ramirent Finland Oy is €1,000,000, divided into 2,000 shares.

Ramirent AB

Ramirent AB is a Swedish limited liability company (*Aktiebolag*) formed on August 12, 1988. It is registered with the Swedish Companies Registration Office under number 556559-4610. Its registered office is at Box 2064, 196 02 Kungsängen, Sweden, and the registered seat of the board of directors is Stockholm, Sweden. As of the date of this listing prospectus, the share capital of Ramirent AB was SEK 10,000,000, divided into 100,000 shares with a nominal value of SEK 100 each.

Significant Change

Except as disclosed herein, there has been no material adverse change in our financial trading position and prospects that is material in the context of the issue and offering of the Notes since September 30, 2021, the date of our last unaudited consolidated financial statements.

Except as disclosed herein, we are not involved in, and do not have knowledge of a threat of, any litigation, administrative proceedings or arbitration that is or may be material in the context of the issue and offering of the Notes.

Clearing of the Notes

The Notes have been accepted for clearance and settlement through the facilities of Clearstream, Luxembourg and Euroclear under the following securities codes.

The Notes sold pursuant to Regulation S and Rule 144A will have a Common Code of 240188678 and 240188732, respectively. The ISIN for the Notes sold pursuant to Regulation S is XS2401886788 and the ISIN for the Notes sold pursuant to Rule 144A is XS2401887323.

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LOXAM

Société par Actions Simplifiée

265, rue Nicolas Coatanlem

56850 - CAUDAN

Statutory auditors' review report on the condensed consolidated interim financial statements

For the period from January 1, 2021 to September 30, 2021

KPMG S.A.

Tour Eqho

2, Avenue Gambetta

CS 60055

92066 Paris la Défense Cedex

Société de Commissariat aux Comptes inscrite à la
Compagnie Régionale de Versailles et du Centre

Constantin Associés

6, place de la Pyramide

92908 Paris-La Défense Cedex

S.A.S. au capital de 831 300 €

572 028 041 RCS Nanterre

Société de Commissariat aux Comptes inscrite à la
Compagnie Régionale de Versailles et du Centre

LOXAM

Société par Actions Simplifiée

265, rue Nicolas Coatanlem

56850 - CAUDAN

Statutory auditors' review report on the condensed consolidated interim financial statements

For the period from January 1, 2021 to September 30, 2021

This is a free translation into English of the statutory auditors' review report issued in French language and is provided solely for the convenience of English-speaking users. This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.

To the Chairman,

In our capacity as statutory auditors of Loxam S.A.S. and in response to your request, we have reviewed the accompanying condensed consolidated interim financial statements for the period from January 1, 2021 to September 30, 2021, as they are attached to this report.

Due to the global crisis related to the Covid-19 pandemic, the condensed consolidated interim financial statements 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 our review procedures.

These condensed consolidated interim financial statements were prepared under the responsibility of the Chairman on November 25, 2021. Our role is to express a conclusion on these condensed consolidated interim financial statements based on our review.

We conducted our review in accordance with professional standards applicable in France, as well as with the professional guidance of the French Institute of Statutory Auditors (Compagnie Nationale des Commissaires aux Comptes) applicable to such engagement. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review 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 condensed consolidated interim financial statements are not prepared, in all material respects, in accordance with IAS 34 – the standard of the IFRSs as adopted by the European Union applicable to interim financial reporting.

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.

Paris-La Défense, November 26, 2021

The Statutory Auditors

French original signed by

KPMG S.A.	Constantin Associés	
Vincent DE BECQUEVORT	Jean Paul SEGURET	Philippe SOUMAH

LOXAM GROUP

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

30 September 2021

CONSOLIDATED FINANCIAL STATEMENTS AT 30 SEPTEMBER 2021

Statement of financial position

ASSETS (€'000)	Notes	31.12.2020	30.09.2021
Intangible assets and goodwill	4	2,307,498	2,300,067
Property, plant and equipment	5	2,126,483	2,125,158
Investments in associates	6	7,536	9,122
Financial assets	7	20,485	19,428
Financial derivatives	13	804	-
Deferred tax assets	22	17,788	16,209
Non-current assets		**4,480,594**	**4,469,984**
Inventories	8	45,493	52,897
Trade and other receivables	9	414,097	475,864
Other current assets	10	41,399	53,638
Corporate income tax receivables	10	18,776	11,016
Cash and cash equivalents	11	627,945	601,887
Current assets		**1,147,711**	**1,195,302**
Total assets		**5,628,304**	**5,665,286**

LIABILITIES (€'000)	Notes	31.12.2020	30.09.2021
Share capital	12	224,818	224,818
Additional paid-in capital		1,882	1,882
Consolidated reserves		403,767	403,925
Net profit for the year		4,754	52,875
Shareholders' equity (Group share)		**635,221**	**683,499**
Non-controlling interests		5,544	7,800
Total equity		**640,765**	**691,300**
Employee benefits	15	57,114	54,369
Deferred tax liabilities	22	195,403	193,554
Borrowings and financial debt	14	3,632,850	3,495,753
Financial derivatives	13	5,066	2,508
Non-current liabilities		**3,890,433**	**3,746,184**
Provisions	16	15,102	11,725
Borrowings and financial debt	14	680,183	765,035
Trade and other payables	17	209,369	231,841
Other liabilities	17	186,076	212,445
Corporate income tax liabilities	17	6,376	6,757
Current liabilities		**1,097,106**	**1,227,803**
Total shareholders' equity and liabilities		**5,628,304**	**5,665,286**

Consolidated income statement and statement of comprehensive income

€'000	Notes	30.09.2020 (*)	30.09.2021
Revenue	18	**1,455,501**	**1,599,826**
Other income		53,090	36,596
Operating income		**1,508,591**	**1,636,422**
Purchases consumed		(128,907)	(157,455)
Personnel expenses	19	(380,308)	(427,387)
Other current expenses		(446,850)	(462,638)
Taxes and duties		(15,200)	(13,611)
Depreciation and amortization – Property, plant and equipment		(377,207)	(353,955)
Depreciation and amortization – Intangibles assets		(36,775)	(34,896)
Profit from ordinary operations	18	**123,344**	**186,478**
Other operating incomes	20	225	-
Other operating expenses	20	(836)	(1,731)
Operating profit		**122,734**	**184,747**
Interest and financing-related expenses		(119,515)	(115,416)
Other financial income and expenses		(2,110)	(3,984)
Financial income (expense)	21	**(121,626)**	**(119,400)**
Profit before tax		**1,108**	**65,347**
Share of result in associates and joint ventures	6	641	837
Income tax expense	22	(3,197)	(12,134)
Net profit		**(1,448)**	**54,050**
Non-controlling interests		(449)	1,176
Net profit, Group share		**(999)**	**52,875**

	30.09.2020 (*)	30.09.2021
Net profit	**(1,448)**	**54,050**
Exchange gains or losses (a)	(43,178)	13,369
Fair value of derivative instruments	(1,117)	860
Tax	214	-
Items recycled to profit or loss	***(44,081)***	***14,229***
Remeasurement of liabilities for defined benefit retirement plans	(3,993)	4,822
Tax	823	(1,034)
Items not recycled to profit or loss	***(3,171)***	***3,788***
Other comprehensive income	**(47,252)**	**18,017**
Comprehensive income	**(48,700)**	**72,067**

	Notes		
EBITDA (b)	**18**	**537,326**	**575,330**

(*) Restated following the IFRS IC's decision related to the enforceable period of the lease contracts (Note 2.3)

(a) Of which associates and joint ventures for €748k.
(b) EBITDA is not a measure of financial performance under IFRS. EBITDA is presented as additional information and is defined by the Group as profit from ordinary operations plus depreciation and amortization of tangible and intangible assets.

Consolidated cash-flow statement

€'000	Notes	30.09.2020 (*)	31.12.2020	30.09.2021
Net profit		**(1,448)**	**4,276**	**54,050**
Share of result in associates and joint ventures	6	(641)	(1,112)	(837)
Income tax expense (including deferred tax)	22	3,197	664	12,134
Net finance costs	21	121,626	158,636	119,400
Other operating income and expense		38	1,039	1,015
Depreciation and provisions, net of reversals		413,260	562,697	387,381
Capital gains on asset disposals		(44,829)	(59,036)	(30,976)
Cash flow from operations (before cost of financing and tax)		**491,203**	**667,163**	**542,168**
Income tax paid		(13,406)	(10,420)	(14,426)
Financial interest paid		(111,881)	(153,090)	(117,355)
Financial interest received		2,033	3,291	1,554
Change in working capital requirements		55,045	90,196	(22,774)
Cash flow from operating activities	**A**	**422,995**	**597,141**	**389,167**
Impact of changes in scope		(17,283)	(17,283)	(30,700)
Acquisitions of fixed assets		(202,905)	(297,539)	(336,234)
Disposals of fixed assets		63,539	85,846	44,287
Cash flow from investing activities	**B**	**(156,649)**	**(228,976)**	**(322,646)**
Dividends paid		-	(553)	(22,482)
Capital movements		-	(19,555)	-
Proceeds from loans and borrowings	14	704,389	496,313	201,627
Repayment of loans and borrowings	14	(521,480)	(441,549)	(275,565)
Cash flow from financing activities	**C**	**182,909**	**34,656**	**(96,420)**
Change in cash and cash equivalents	**A+B+C**	**449,256**	**402,821**	**(29,898)**
Cash and cash equivalents at beginning of period		229,035	229,035	627,805
Cash and cash equivalents at end of period		674,688	627,805	598,923
Impact of exchange rate fluctuations		3,603	4,050	(1,015)
Change in cash and cash equivalents		**449,256**	**402,821**	**(29,898)**
Other marketable securities		103,362	103,777	103,057
Cash at bank and on hand		572,954	524,167	498,831
Current bank borrowings		(1,627)	(139)	(2,965)
Cash and cash equivalents		**674,688**	**627,805**	**598,923**

(*) Restated following the IFRS IC's decision related to the enforceable period of the lease contracts (Note 2.3)

Consolidated statement of changes in equity

€'000	Share capital	Additional paid-in capital	Other consolidated reserves	Reserves to be recycled (OCI)	Shareholders' equity (Group share)	Non-controlling interests	Total equity
At 31 December 2019	**229,818**	**1,882**	**451,036**	**5,498**	**688,234**	**9,507**	**697,741**
Net profit for the period			4,754		4,754	(478)	4,276
Employee benefits				(7,678)	(7,678)	(10)	(7,688)
Fair value of derivative instruments				(1,093)	(1,093)	(4)	(1,097)
Exchange gains or losses				(29,285)	(29,285)	(1,358)	(30,642)
Comprehensive income			**4,754**	**(38,056)**	**(33,301)**	**(1,850)**	**(35,151)**
Capital movements	(5,000)		(14,555)		(19,555)	1	(19,554)
Dividends					-	(553)	(553)
Changes in scope					-	(1,403)	(1,403)
Other movements			(157)		(157)	(158)	(315)
At 31 December 2020	**224,818**	**1,882**	**441,079**	**(32,558)**	**635,221**	**5,544**	**640,765**
Net profit for the period			52,875		52,875	1,176	54,050
Employee benefits				3,811	3,811	(23)	3,788
Fair value of derivative instruments				860	860	-	860
Exchange gains or losses				13,205	13,205	163	13,369
Comprehensive income			**52,875**	**17,876**	**70,751**	**1,316**	**72,067**
Capital movements					-		-
Dividends			(22,482)		(22,482)		(22,482)
Changes in scope					-	939	939
Other movements			10		10	1	10
At 30 September 2021	**224,818**	**1,882**	**471,481**	**(14,682)**	**683,499**	**7,800**	**691,300**

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Note 1 – Presentation and highlights

1.1. Presentation of the Group

Loxam is a French simplified joint stock company ("Société par Actions Simplifiée") with a capital of €224,818,150 as of September 30, 2021, governed by all of the legislation and regulations for commercial companies in France, and particularly the French commercial code ("Code de commerce"). The Company's registered office is located at 256 rue Nicolas Coatanlem, 56850 Caudan, France.

The Loxam Group is the leading equipment rental company in Europe with consolidated revenue of €1,989 million in 2020 and 10,800 employees. The Group is the 4th largest player in the world with a network of approximately 1,050 branches over 30 countries on four continents.

1.2. Highlights

Highlights of the period ended September 30, 2021

On January 5, 2021, Stavdal Sweden merged with Ramirent Sweden.

On June 1, 2021, Loxam Denmark acquired JM Trykluft A/S, a rental Danish company which operates 9 branches.

On June 10, 2021, Ramirent Sweden acquired Maskinslussen AB, a rental company which has 3 branches in the western part of Sweden.

On July 29, 2021, Loxam entered into a new €345 million five-year senior secured revolving credit facility that replaces Loxam's current €75 million revolving credit facility, maturing in February 2022.

Post closing events

On October 7, 2021, the Company's shareholders approved a share buyback offer for a maximum of 1,000,000 shares (i.e. 4.5% of the capital). Sparring Capital, a shareholder of the Group since 2011 and holding 904,493 shares, has indicated its intention to contribute its shares to this operation. The share buyback offer ended on November 08, 2021. In the meantime, sales and purchases of shares between shareholders have been authorized.

On November 15, 2021, the Company has issued a notice of conditional redemption of €120,000,000 in aggregate principal amount out of the €229,566,000 Senior Subordinated Notes due 2025.

Highlights of the period ended December 31, 2020

In an unprecedented market context linked to the Covid-19 pandemic, Loxam reacted strongly to limit its impact and gave an immediate priority to the health and safety of the Group's employees and its customers. The second priority was to strengthen the Group's liquidity and cash position, reduce capital expenditure projects and strictly control costs by using measures made available by governments, particularly in terms of short-time working and bank loans guarantees.

The Revolving Credit Facility was fully drawn for €75 million as from March 26, 2020, for a period of 6 months. The outstanding drawing was fully repaid on September 30, 2020.

In France, Loxam SAS secured a €230 million loan with a state guarantee ("PGE") with a maturity up to 6 years without any security or covenant. States guaranteed loans have been granted in Spain for €27.4 million, in Italy for €5.5 million and in Switzerland for CHF 0.5 million.

On October 29, 2020, Loxam SAS decided to buy back and cancel 500,000 shares for €19.6 million. The share capital of Loxam SAS was reduced by €5 million to €224,818,150.
The Group also purchased some subordinated notes for an amount of €26.0 million which were cancelled as at 31st December 2020. A financial profit of €1.5 million was made on the repurchase of the subordinated notes.

Other significant events of the period ended December 31, 2020
On January 12, 2020, the 50% stake held by Ramirent Oy in the JV Fehmarnbelt Solution Services A/S (Denmark) was sold to its partner Zeppelin Rental of Germany.
On April 4, 2020, Nummelanrinne Koy, a real estate company held by Ramirent Oy was sold.

Loxamed, a 51% subsidiary of Loxam SAS was created in July 2020.

Note 2 – Accounting principles

2.1. Basis of preparation and presentation

The interim consolidated financial statements (the “interim financial statements”) for the nine-month period ended September 30, 2021 include Loxam SAS and its subsidiaries (together “the Group” or “Loxam Group”), including the Group’s share in equity affiliates and joint ventures.

These interim financial statements have been prepared by the Group in a voluntary and non-mandatory basis. They have been prepared in accordance with IAS 34 “Interim financial reporting” and should be read in addition to the latest annual consolidated financial statements of the Group for financial year 2020 (“the latest annual financial statements”). They do not include all the mandatory information for a complete financial report according to IFRS. However, they include a selection of notes explaining significant events and major operations to understand the change in statement of financial position and the Group’s performance since the latest annual financial statements.

The Group’s consolidated financial statements are prepared in euros, which is the parent company’s functional currency. They are prepared on a historical cost basis, with the exception of certain categories of assets and liabilities, measured at fair value, in accordance with IFRS. The categories concerned are mentioned in the following notes. All the financial data are presented in thousands of euros, rounded to the nearest thousand euros. The total amounts indicated in the tables may differ from the sum of the various items due to rounding.

The Group financial statements were approved by the Chairman on [*November xx, 2021*].

2.2. Consolidation principle

A subsidiary is an entity controlled by Loxam SAS. An entity’s control is based on three criteria:
- Power over the entity, i.e. the ability to direct the activities with the greatest impacts on its profitability;
- Exposure to the entity’s variable returns, which may be positive, based on dividends or any other economic benefits, or negative;

- Link between power and these returns, i.e. the ability to exercise power over the entity to influence the returns achieved.

The financial statements of subsidiaries are consolidated from the date on which the Group acquires effective control until such time as control is transferred outside the Group.
The consolidated financial statements include all of the subsidiary's assets, liabilities, income and expenses. Equity and income are shared between the owners of the Group and non-controlling interests. Transactions between consolidated companies and intragroup profits are eliminated when preparing the consolidated financial statements.

An associate is an entity over which the Group has significant influence, without having control or joint control over financial and operational policies. The share in the associate's assets and liabilities, including goodwill, is presented on a separate line on the balance sheet.

A joint venture or joint activity is the result of a contractual arrangement whereby two or more parties agree to carry out an economic activity under joint control. For joint activities, which give each of the co-participants direct rights to assets and obligations for liabilities, assets and liabilities, expenses and income are recognised based on the interests in the joint activity. Joint ventures that confer interests in net assets are accounted for using the equity method.

2.3. Comparability of the financial statements

The Group's consolidated financial statements for the nine-month period ended September 30, 2021 include four months of activity of JM Trykluft and Maskinslussen, acquired on June 1, 2021 and June 10, 2021 respectively. Both entities are consolidated as from June 1, 2021. No purchase price allocation ("PPA") has been initiated as of September 30, 2021.

IAS 19 Employee benefits - decision of the IFRS Interpretations Committee (IFRS IC) endorsed by the IASB in June 2021, relating to the attribution of benefits to periods of service by beneficiaries of post-employment benefit plans. As of September 30, 2021, the Group has not applied this decision and is in the process of analysing the impact on the pension liability in France.

IFRS 16 Leases - IFRS IC Interpretations relating to the assessment of lease terms for leases renewable by tacit agreement. The IFRS IC confirmed that the non-cancellable period must be determined, taking an economic view as well as assessing the lease's legal characteristics. The leases concerned are mainly property leases. The IFRS Interpretations Committee decision on the enforceable period of leases was implemented from December 31, 2020 with retroactive effect from January 1, 2019. Therefore, for comparative purposes, the financial information for the nine-month period ended September 30, 2020 has been restated based on the IFRS IC decision (see Note 24).

2.4. Accounting judgments and estimates

To prepare the consolidated financial statements in accordance with IFRS, the Group makes a certain number of estimates and assumptions that are based on historical information and other factors, including expectations for future events that are considered reasonable in view of the circumstances.

The Group’s estimates and judgments with the most significant impacts on the financial statements concern the following elements:

- Impairment tests for intangible assets with an indefinite useful life (primarily goodwill);
- Purchase price allocation related to the acquisitions;
- Measurement of obligations relating to defined benefit plans;
- Measurement of financial instruments at fair value;
- Qualification of lease contracts and enforceable period of these contracts.

These estimates are based on the information available when they were prepared. They are continuously assessed based on past experience and various other factors that are considered to be reasonable, which form the basis for assessments of the book value of assets and liabilities. Estimates may be revised if the circumstances on which they were based change or new information becomes available. Actual results may differ significantly from these estimates depending on different conditions or assumptions.

2.5. Business combinations

a) Business combinations

In accordance with IFRS 3, business combinations are accounted for on the acquisition date, which is the date when control is transferred to the Group.

Goodwill represents the fair value of the consideration transferred (including the fair value of any interest previously held in the company acquired), plus the amount recognised for any non-controlling interest in the company acquired, less the net amount recognised (generally at fair value) for the identifiable assets and liabilities assumed.

When the difference is negative, this is badwill, representing a profit resulting from acquisitions under preferential conditions. Badwill is recognised immediately in profit or loss.

The costs relating to the acquisition are expensed as incurred.

Corrections or adjustments may be made to the fair value of the assets and liabilities assumed and the consideration transferred within 12 months of the acquisition. As a result, the goodwill may be revised.

Contingent consideration relating to business combinations is measured at fair value on the acquisition date and subsequently measured at fair value at each future reporting date. After a one-year period from the acquisition date, any change in the fair value of the contingent consideration classified as a financial liability will be recognised in profit or loss. During this one-year period, any changes to this fair value explicitly related to events occurring after the acquisition date will also be recognised in profit or loss. Other changes will be recognised as adjustments to goodwill.

Goodwill is not amortized. In accordance with IAS 36 Impairment of Assets, it is subject to impairment tests at least once a year and more frequently if there are any indications of impairment.

b) Commitment to buy out non-controlling interests (minority interests), entered into at the time of business combinations, if minorities do not retain current access to profits.

The anticipated acquisition method is applied: the deferred payment for the buyout commitment is recognised as a liability for the present value of the option’s exercise price. Goodwill is calculated taking into account the total percentage including the commitment to buy out the non-controlling interests.

c) Commitment to buy out non-controlling interests (minority interests), entered into at the time of business combinations, if minorities retain current access to profits.

The deferred payment for the buyout commitment is recognised as a liability for the present value of the option's exercise price. Subsequent changes in the value of the commitment are recognised in equity attributable to owners of the parent.

d) Acquisition of non-controlling interests (minority interests), agreed on after business combinations:

For an additional acquisition of shares in an entity that is already controlled, the difference between the acquisition price of the shares and the additional consolidated equity interest acquired is recognised in equity attributable to owners of the parent, while keeping the consolidated value of the subsidiary's identifiable assets and liabilities, including goodwill, unchanged.

2.6. Foreign currency translation methods

a) Transactions in foreign currencies

Transactions in foreign currencies are converted into euros based on the exchange rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are converted based on the exchange rate at the reporting date.

Profit and loss data denominated in foreign currencies are converted using the average rate for the period.

The resulting exchange gains or losses are recognised in profit or loss for the year under financial income and expenses.

b) Financial statements in foreign currencies

The assets and liabilities of subsidiaries presented in foreign currencies are converted into euros based on the exchange rate at the reporting date. Income and expenses for these companies are converted into euros at the average exchange rate for the year. The resulting exchange gains or losses are recognised directly in other comprehensive income.

Exchange rates applied at September 30, 2021 (euro vs. currency):

1 EUR =		**Closing period rate**	**Average rate**	**Opening period rate**
AED	Arabic Emirates dirham	4,2849	4,3987	4,4870
BHD	Bahraini dinar	0,4399	0,4512	0,4606
BRL	Brazilian real	6,3439	6,3897	6,3480
CHF	Swiss franc	1,0843	1,0901	1,0812
COP	Colombian peso	4 481,4900	4 421,6352	4 186,00
CZK	Czech koruna	25,4800	25,7692	26,2400
DKK	Danish krone	7,4359	7,4370	7,4415
GBP	Pound sterling	0,8640	0,8652	0,8935

MAD	Moroccan dirham	10,5201	10,6985	10,8800
NOK	Norwegian krone	10,1246	10,2431	10,4820
OMR	Omani rial	0,4492	0,4622	0,4703
PLN	Polish zloty	4,6294	4,5432	4,5606
QAR	Qatari riyal	4,2478	4,3868	4,4480
SAR	Saudi riyal	4,3761	4,4880	4,5830
SEK	Swedish krona	10,2033	10,1498	10,0498

2.7. Breakdown of current / non-current assets and liabilities

Under IAS 1, assets and liabilities are classified as "current" or "non-current".
Loxam applies the following rules for classifying the main balance sheet aggregates:

- Fixed assets are classified as "non-current";
- Assets and liabilities included in working capital requirements in connection with the business' normal operating cycle are classified as "current";
- All deferred tax assets and liabilities are presented as "non-current";
- All provisions are classified as "current";
- Financial liabilities are classified as "current" or "non-current", depending on whether they are due within or later than one year after the reporting date.

2.8. Fair value of financial assets and liabilities

Financial assets and liabilities - including derivatives - measured at fair value are categorized into three levels (1 to 3), each corresponding to a level of fair value observable inputs based on data used in the fair value measurement technique:

- Level 1: fair value determined based on quoted prices in active markets for identical assets or liabilities;
- Level 2: fair value estimated based on observable data for the asset or liability, either directly (i.e. prices) or indirectly (i.e. pricing-derived data);
- Level 3: fair value estimated using valuation techniques that include data relating to the asset or liability that are not based on observable market data.

Further information on the classification of financial instruments for each category is presented in Note 2.16 (Cash and cash equivalents), and Note 2.17 (Derivative financial instruments).

2.9. Intangible assets and goodwill

a) Goodwill

The goodwill resulting from acquisitions of subsidiaries is included in intangible assets. It represents an asset with an indefinite useful life. For the recognition of goodwill, see description in Note 2.7.

b) Trademarks and customer relationships

The application of IFRS 3R may lead to the allocation of an acquisition price to identified intangible assets such as trademarks and client relationships. These intangible assets could be depreciated over

5 to 18 years. Trademarks are depreciated over 5 to 12 years and customer relationships over 8 to 18 years.

c) Other intangible assets

Other intangible assets have a finite useful life and are recorded at their acquisition cost, after deducting accumulated amortization and impairment losses.

The amortization of intangible assets is recorded as an expense on a straight-line basis over the estimated useful life from the moment assets are brought into service.

These other intangible assets are primarily software products, amortized over 1 to 5 years.

2.10. Property, plant and equipment

Property, plant and equipment are recognised at their acquisition cost, after deducting accumulated depreciation and impairment losses. They are not revalued.

The cost includes the expenditure directly attributable to the asset's acquisition.

Depreciation charges for property, plant and equipment are calculated on a straight-line basis over the useful lives indicated below. Land is not depreciated.

- Buildings	10 to 50 years
- Building fixtures and fittings	5 to 20 years
- Tools	3 to 5 years
- Fleet equipment	3 to 15 years
- Other property, plant and equipment	2 to 5 years

Property, plant and equipment are depreciated from the moment they are brought into service.

A residual value is applied to some categories of equipment, in order to take into account the resale value of this equipment at the end of its life.

2.11. Leases

Leases contracts are governed by IFRS 16 since January 1, 2019. The standard has removed the distinction previously made between simple leases and finance leases for the lessee; the lessee recognizes a right-of-use asset and a financial debt representing the rental obligation.

The Group presents the right-of-use within “Property, plant and equipment” on the same line as the underlying assets of same nature of which it has full ownership (see Note 5) and the lease liabilities within "Borrowings and financial debts" in the statement of financial position (see details in Note 14).

Following the Covid-19 pandemic, the Group has obtained rental reductions or deferrals agreed with lessors. Some leases were modified with an impact on the lease duration (extension of several months at the end of the lease).

Under IFRS 16, a lease modification is a change in the scope of a lease, or the consideration for a lease, that was not part of the original terms and conditions of the lease. The modification of the lease requires the lessee to make a corresponding adjustment to the right-of-use asset as well as the remeasurement of the lease liability.

The Group has performed these adjustments accordingly. The initial incremental borrowing rates were kept unchanged as the extension of the leases duration was mostly for 6-month periods.

Following the IFRS Interpretations Committee's decision related to the enforceable period of leases, it was specified that it is not possible to use only the legal approach to determine the enforceable period of a contract, if the duration cannot be determined definitively at the origin of the contract. The Committee considers that a lease contract remains enforceable as long as the lessee or the lessor would have to bear a loss or a more than insignificant penalty in case of termination of the contract. To determine the enforceable period of a lease, all economic aspects of the lease must be taken into account and not just contractual termination indemnities.

The Group has applied the decisions taken by the IFRS IC. In order to determine the reasonably certain duration to be applied to leases that are concerned by the IFRS IC decision, the Group has chosen a period of three years from the anniversary date of the contract as an additional lease period (where there is reasonable assurance that the lease will continue). Where appropriate, the duration of these leases may be reassessed in order to take into account the Group's strategic choices.

The implementation of this decision as at December 31, 2020 with retroactive effect at January 1, 2019 is a change in accounting policy. It has an impact on real estate contracts whose contractual lease term was exceeded and in a situation of tacit renewal, and were hence originally excluded from the IFRS 16 scope. Impacts on H1 2020 financial statements are presented in Note 24.

2.12. Impairment of intangible assets and property, plant and equipment

Assets are reviewed at each reporting date to determine whether there are any indications of impairment. If such indications are identified, the asset's recoverable amount is estimated.

Goodwill is tested annually and whenever indications of impairments arise.
The value in use retained by the Group corresponds to the value of the future economic benefits expected to be earned from their use and disposal. It is assessed using the discounted cash flow (DCF) method, based on the following principles:

- The cash flows are based on the medium-term business plan (five years) drawn up by top management,
- The discount rate is determined based on the weighted average cost of capital for the business and the region concerned,
- The terminal value is calculated by discounting cash flows to infinity, based on standard cash flows and a perpetuity growth rate. The growth rate is consistent with the development potential of the markets in which the Group operates, as well as its competitive position on these markets.

When the recoverable amount is lower than the net book value of the asset of the cash generating unit, an impairment is recognised in profit or loss.

Impairments recorded for goodwill are irreversible.

The Group also performs impairment tests for investments in joint ventures and associates by determining their fair value using the same discounted cash flow (DCF) method and comparing it with their recoverable amount.

For the nine-month period ended September 30, 2021, the Group has not identified any indication of impairment for intangible and tangible assets and will continue to review the need for impairment test at the end of each reporting period. The impairment test will be carried out only if there are such indications.

2.13. Financial assets

Financial assets include:

- Securities of non-consolidated companies,
- Security deposits paid,
- Cash management assets,
- Cash and cash equivalents.

Financial assets are measured and recognised in accordance with IAS 32 and IFRS 9.
Financial assets are initially recognised at their fair value.
Financial assets maturing in under one year are classified as current financial assets.

2.14. Inventories

Inventories primarily include trade products, parts and consumables. Inventories are measured using the weighted average cost method.
An impairment is recognised when the realisable value, less costs of disposal, is lower than the book value.

2.15. Trade receivables and other current assets

Trade receivables and other current assets are generally measured at their nominal value, when this is considered to be close to their fair value. Provisions for impairment are recorded for receivables when their recoverable value amount is lower than their book value.

The Group has also adopted an expected credit loss impairment model following the simplified method allowed by the IFRS 9 standard (use of a provision matrix). At September 30, 2021, the Group has assessed the expected credit loss taking into account reasonable and supportable information at the closing date.

2.16. Cash management assets and Cash and cash equivalents

In accordance with IAS 7 Statement of Cash Flows, the cash recorded in the consolidated cash flow statement includes cash at bank and on hand, bank credit balances and cash equivalents. Cash equivalents correspond to liquid short-term deposits that are easily convertible into a determinable amount of liquid assets and subject to an insignificant risk of changes in value.
Term deposits for over three months, which include options for early withdrawals at any time without notice, particularly to cover short-term cash commitments, are consistent with the definition of cash and cash equivalents from IAS 7 in the following cases:

- The capital is guaranteed even in the event of early withdrawal,

- No penalties are due in the form of payments to the financial institution managing the investment, or non-payment of part of the return on the investment. When the return is calculated based on the rate for the previous period or a reduced rate, without any significant change in the value of the amount of the return received, this is not considered to be a penalty and does not call into question the investment's classification as cash and cash equivalents.

Cash management financial assets comprise money-market securities, bonds and shares in UCITS invested over a short-term management horizon that do not meet the criteria for being classified as cash equivalents under IAS 7. They are measured and recognised at fair value. Changes in fair value are recognised in profit or loss.
Purchases and sales of cash management financial assets are recognised on the transaction date.
Marketable securities classified as cash equivalents on the reporting date are recognised at fair value through profit or loss, with their fair value based on their net asset value.

2.17. Derivative financial instruments – relating to the interest rate risk

The Group holds interest rate swaps to reduce its net interest rate risk exposure.
These derivative financial instruments are initially recognised at their fair value. This fair value corresponds to Category 2 consistent with the definitions given in Note 2.8.

Changes in the fair value of financial instruments that do not qualify for hedge accounting are recognised in the income statement. Financial instruments documented in a hedging relationship are recognised in other comprehensive income (see Note 13).

2.18. Derivative financial instruments – relating to the foreign exchange risk

On an ad hoc basis, and consistent with its market forecasts, the Loxam Group uses financial instruments to reduce its net foreign exchange risk exposure, mainly on British pound, Norwegian krone and Swedish krona since the acquisition of Ramirent.
The Group primarily uses forward currency sales options. As these instruments concern intra-group receivables, which are eliminated in the consolidated financial statements, the Group has not opted to apply hedge accounting. These foreign exchange derivative instruments are recognised at fair value on the balance sheet. Fair value adjustments are recognised in profit or loss.

2.19. Employee benefits

Under IAS 19 (revised), all current and future benefits or compensation acquired by employees in return for services rendered during the current period and prior periods must be recognised as an expense over the period when rights are vested.
In accordance with the laws and practices in each country where it operates, the Group is part of various plans for retirement and post-employment benefits.

a) Defined contribution plans

For defined contribution plans, the Group has no obligations other than the payment of contributions. The contributions paid in to plans are recognised as expenses for the period. Where applicable, provisions are recorded for contributions not made during the period.

b) Defined benefits plans

Retirement and related benefits under defined benefit plans are subject to provisions based on an actuarial calculation carried out at least once a year in accordance with IAS 19 (revised).

To assess retirement benefits, the projected unit credit method is applied: each period of service gives rise to an additional unit of benefit entitlements, and each unit is valued separately to determine the obligation in relation to employees.

The calculations consider the specific features of the various plans, as well as the assumptions for retirement dates, career development and wage increases, and the probability of employees still being employed by the Group when they reach retirement age (informed by staff turnover, mortality tables, etc.). The present value of the obligation is determined based on the interest rates for long-term bonds from top-tier issuers.

An employee benefit liability is recorded for the obligation net of any plan assets measured at fair value.

The net expenses for retirement and related benefits are recognised in operating profit for the period in relation to the cost of services provided during the period. The net financial cost is recognised in financial income and expenses.

Under IAS 19R, the actuarial gains or losses generated by changes in assumptions on the net defined benefit liability or differences between interest income and the actual returns on plan financial assets are recognised immediately in other comprehensive income and cannot be recycled to profit or loss.

c) Other long-term benefits

Certain other long-term benefits are also subject to provisions, which are determined with a similar actuarial calculation to that applied for defined benefit plans.

These benefits primarily concern jubilee awards. Remeasurements of the obligation are recognised in profit or loss.

2.20. Provisions

In accordance with IAS 37 Provisions, Contingent Liabilities and Contingent Assets, a provision is recorded when, on the reporting date, the Group has an obligation (legal or implied), it is probable that an outflow of resources representing economic benefits will be required to extinguish this obligation, and the amount of the obligation can be estimated reliably.

These provisions are estimated taking into account the most probable assumptions on the reporting date.

2.21. Borrowings and financial debt

Interest-bearing liabilities are initially measured at their fair value, less any directly attributable transaction costs. Subsequently, borrowings and financial debt are measured at their amortized cost using with the effective interest rate method.

The Loxam Group regularly issues loans on the bond market in order to finance its acquisitions. As part of its policy aimed at renewing its debt, the Group's Finance Division weighs up the renewal of tranches reaching maturity at least two years before the redemption term.
Since 2016, the effective interest rate on bond loans has been calculated over the term of the loan less two years.
Since January 1, 2019, borrowings and financial debt include lease liabilities.

2.22. Trade payables and related

Trade and other payables are recorded at their nominal value, which corresponds to their fair value.

2.23. Tax

Income tax includes both current and deferred tax.

Current tax corresponds to the cumulative amount of corporate income tax payable on taxable income for all the Group's companies and is determined using the tax rates adopted on the reporting date.

Deferred tax is recorded, using the accrual method, generally for temporary differences on the reporting date between the taxable base for assets and liabilities and their book value on the balance sheet.
Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the assets will be realized or the liabilities settled, based on the tax rates (and tax regulations) that have been enacted or substantively enacted at the reporting date.
In the event of deductible temporary differences and tax losses, deferred tax assets are recognised for the amount of the deferred tax liabilities whose repayment will make it possible to allocate these tax losses, and beyond that if it is likely that the Group will have future taxable profits.
Deferred taxes are recorded for each entity. Deferred tax assets and liabilities are offset on the balance sheet when taxes are levied by the same tax authority and they relate to the same taxable entity.
Taxes relating to elements recorded in other comprehensive income are recognised in other comprehensive income and not in profit or loss.

The Group applies IFRIC 23 interpretation relating to measurement and recognition when there is uncertainty over income tax treatments.

2.24. Revenue

Revenue comprises income from equipment rental, services and sales related to rental activities (transportation, damage waivers, labor charges invoiced for repairs) and sales of goods.

Rental revenue
Revenue generated from equipment rental is recognised straight line over the rental period. Contract durations can vary from one day to a few months but are mostly short-term. The contract ends upon the equipment return.

Additional services to the equipment rental and other services

Additional services mainly concern transportation, damage waivers, labor charges invoiced for repairs. Other services comprise training and repair recharges (including spare parts). These services are recognised at the end of the service completion. Revenue linked to fuel consumption is recognised upon the equipment return.

The Group is also offering a wide range of different kind of services thanks to the acquisition of Ramirent group: worksite planning, logistics, on-site support, assembly and disassembly services. The revenue is recognised in accordance with IFRS 15 «Revenue from contracts with customers», when the services are rendered to the customer over time or when the customer controls the work in progress.

Retail revenue and sale of equipment
Revenue from retail activities and sale of equipment is recognised upon delivery to the customer.

2.25. Other income

Other income primarily concerns net capital gains on disposals of assets in connection with the Group's normal operating cycle.

2.26. Other current expenses

Other current expenses primarily include external services (particularly subcontracted maintenance and transportation costs, property and real estate rentals that are not in the scope of the new IFRS 16 standard, and general administrative costs), in addition to losses on receivables net of changes in provisions.

2.27. Other operating income and expenses

Other operating income and expenses concern items that involve a very limited number of occurrences, that are unusual, abnormal and uncommon and that involve particularly significant amounts, which the company presents separately in profit or loss to make it easier to understand recurring operational performance.

2.28. Financial income and expenses

Financial income primarily concerns interest on investments.
Financial expenses primarily concern interest on bonds, bilateral loans and leasing, amortized cost related to bonds, as well as changes to the fair value of financial instruments. It also includes the interest cost related to the lease liability since the first time application IFRS 16 as of January 1, 2019.
Exchange gains and losses are recorded as financial income or expenses consistent with fluctuations in foreign currencies resulting in gains or losses.

Note 3 – Scope of consolidation

Legal entities	SIREN number (France) or country	% of control	% of interest	Consolidation method
SAS LOXAM	**450776968**	**100%**	**100%**	**Parents**
SAS LOXAM MODULE	433911948	100%	100%	Full
SAS LOXAM POWER	366500585	100%	100%	Full
SAS LOXAMED (a)	887672137	100%	51%	Full
LOXAM GMBH	Germany	100%	100%	Full
LOXAM S.A.	Switzerland	100%	100%	Full
LOXAM S.A.	Belgium	100%	100%	Full
LOXAM RENTAL SARL	Luxembourg	100%	100%	Full
LOXAM LTD	Ireland	100%	100%	Full
LOXAM BV	Netherlands	100%	100%	Full
ATLAS RENTAL	Morocco	100%	51%	Full
LOXAM HOLDING A/S	Denmark	100%	100%	Full
LOXAM A/S	Denmark	100%	100%	Full
JM TRYKLUFT A/S	Denmark	100%	100%	Full
DEGRAUS	Brazil	100%	50.1%	Full
SCI AVENUE ARISTIDE BRIAND	384564472	100%	100%	Full
SCI EST POSE	340583160	100%	100%	Full
SAS LOXAM GRANDE ARMEE	572045953	100%	100%	Full
SCI TARTIFUME	328948013	100%	100%	Full
SCI THABOR	332962125	100%	100%	Full
LOXAMAM	799097944	100%	100%	Full
HUNE RENTAL S.L.	Spain	100%	100%	Full
HUNE ALUGUER LDA	Portugal	100%	100%	Full
GRUAS Y EQUIPOS HUNE	Colombia	100%	100%	Full
HUNE SICO LLC	Saudi Arabia	100%	49%	Full
LAVENDON HOLDINGS LTD	United Kingdom	100%	100%	Full
ZOOOM HOLDINGS LTD	United Kingdom	100%	100%	Full
ACCESS SOLUTIONS LTD	United Kingdom	100%	100%	Full
LAVENDON ACCESS SERVICES LTD	United Kingdom	100%	100%	Full
NATIONWIDE PLATFORMS LTD	United Kingdom	100%	100%	Full
UK PLATFORMS LTD	United Kingdom	100%	100%	Full
BLUESKY TOPCO LTD	United Kingdom	100%	100%	Full
BLUESKY SOLUTIONS LTD	United Kingdom	100%	100%	Full
RAPID ACCESS BV	Netherland	100%	100%	Full
RAPID ACCESS LLC (b)	United Arab Emirates	100%	49%	Full
RAPID ACCESS Holdings WLL	Bahrain	100%	100%	Full
RAPID Saudi Arabia Ltd	Saudi Arabia	100%	100%	Full
RAPID ACCESS LLC (c)	Oman	100%	70%	Full
RAPID ACCESS MIDDLE EAST LLC	United Arab Emirates	100%	100%	Full
RAPID ACCESS TRADING WLL (d)	Bahrain	100%	49%	Full
LOXAM ACCESS SRL	Italia	100%	80%	Full
SWAN	Ireland	100%	100%	Full
LIR HOLDINGS LTD	Ireland	100%	100%	Full

RAMIRENT OY	Finland	100%	100%	Full
RAMIRENT INTERNAL SERVICES AB	Sweden	100%	100%	Full
SAFETY SOLUTIONS JONSEREDS AB	Sweden	100%	100%	Full
RAMIRENT AB	Sweden	100%	100%	Full
RAMIRENT SAFE ACCESS AB	Sweden	100%	100%	Full
RENTSAFE SVERIGE AB	Sweden	100%	100%	Full
MASKINSLUSSEN AB	Sweden	100%	100%	Full
RAMIRENT FINLAND OY	Finland	100%	100%	Full
FORTRENT OY	Finland	50%	50%	Equity
FORTRENT LLC	Russia	50%	50%	Equity
RAMIRENT AS	Norway	100%	100%	Full
RAMIRENT BALTIC AS	Estonia	100%	100%	Full
RAMIRENT MODULAR FACTORY AS	Estonia	100%	100%	Full
RAMIRENT SHARED SERVICES AS	Estonia	100%	100%	Full
RAMIRENT S.A.	Poland	100%	100%	Full
RAMIRENT S.R.O.	Czech Republic	100%	100%	Full
RAMIRENT SPOL S.R.O.	Slovakia	100%	100%	Full
STAVDAL AS	Norway	100%	100%	Full

(a) Loxam SAS has a 51% interest in the shares of Loxamed SAS, company created in July 2020. Loxamed SAS is treated as a wholly owned subsidiary for the group's accounting purposes.

(b) Rapid Access BV has a 49% interest in the shares of Rapid Access LLC (United Arab Emirates). The Company as a right to give directions with respect to the operating and financial policies of Rapid Access LLC (UAE) and thus is considered to have control. Rapid Access LLC (UAE) is treated as a wholly owned subsidiary for the group's accounting purposes.

(c) Rapid Access Holding WLL has a 70% interest in the shares of Rapid Access LLC (Oman). The Company has a right to give directions with respect to the operating and financial policies of Rapid Access LLC (Oman) and thus is considered to have control. Rapid Access LLC (Oman) is treated as a wholly owned subsidiary for the group's accounting purposes.

(d) Rapid Access Middle East LLC (UAE) has a 49% interest in the shares of Rapid Access Trading WLL (Bahrain). The Company has a right to give directions with respect to the operating and financial policies of Rapid Access Trading WLL (Bahrain) and thus is considered to have control. Rapid Access Trading WLL (Bahrain) is treated as a wholly owned subsidiary for the group's accounting purposes.

Note 4 – Intangible assets and goodwill

Changes in intangible assets and goodwill at September 30, 2021

€'000	Intangible assets	Goodwill	Total
Net book value at beginning of year	**480,637**	**1,826,860**	**2,307,498**
Changes in scope (a)	5	14,179	**14,183**
Increase	3,147	-	**3,147**
Amortization and depreciation of the period	(35,912)	-	**(35,912)**
Decrease / disposals	(23)	-	**(23)**
Reclassification	2,049	-	**2,049**
Exchange gains or losses (b)	1,725	7,399	**9,124**
Net book value at end of the period	**451,629**	**1,848,438**	**2,300,067**

(a) Preliminary goodwill relating to the acquisitions of JM Trykluft and Maskinslussen before PPA allocation.
(b) Exchange variations mainly concern the Lavendon group.

The preliminary goodwill arising from the acquisitions of JM Trykluft and Maskinslussen have been calculated as following:

€'000	JM Trykluft	Maskinslussen
Consideration transferred	27,060	11,657
Net identifiable assets	(20,140)	(4,399)
Goodwill	**6,920**	**7,258**

Changes in intangible assets and goodwill at December 31, 2020

€'000	Intangible assets	Goodwill	Total
Net book value at beginning of year	**430,516**	**1,923,088**	**2,353,604**
PPA allocation (a)	96,819	(74,040)	**22,779**
Increase	4,949	100	**5,049**
Amortization and depreciation of the year (b)	(50,362)	(11,577)	**(61,938)**
Decrease / disposals	(2)	-	**(2)**
Reclassification	1,565	-	**1,565**
Exchange gains or losses (c)	(2,847)	(10,711)	**(13,558)**
Net book value at end of the period	**480,637**	**1,826,860**	**2,307,498**

(a) PPA of Ramirent group adjusted by introducing a Tax Amortization Benefit ("TAB") and updating the amortization durations.
(b) Corresponds to the depreciation of the goodwill of Rapid Access (Middle East) for €10,000k, Atlas Rental (Morocco) for €904k and Hune Pronto Rental (Colombia) for €673k.
(c) Exchange variations mainly concern the Lavendon group.

Trademarks and customer relationships at September 30, 2021

The purchase price for the following acquisitions was allocated to intangible assets and valued as follows at September 30, 2021:

€'000	Trademarks	Customer Relationships	Total
Lavendon Group	9,638	37,661	47,299
Hune Group	186	2,712	2,899
Loxam Access SRL (a)	-	841	841
Ramirent Group	96,655	291,190	387,845
Net value at end of the period	**106,479**	**332,404**	**438,883**

(a) The Nacanco's trademark is not used anymore and has been fully depreciated.

Note 5 – Property, plant and equipment

Change in property, plant and equipment at September 30, 2021

At September 30, 2021, the gross book value of the Group's fleet amounts to € 4,467,657k.

€'000	Rental equipment	Other (a)	Total
Net value at beginning of year	**1,670,523**	**455,959**	**2,126,483**
Changes in scope	19,410	4,340	**23,750**
Increase	239,463	96,479	**335,942**
Amortization and depreciation of the year	(253,931)	(100,026)	**(353,957)**
Decrease / disposals	(11,131)	(3,588)	**(14,718)**
Reclassification	287	(2,061)	**(1,773)**
Exchange gains or losses	8,199	1,232	**9,431**
Net value at end of the period	**1,672,822**	**452,337**	**2,125,158**

(a) Since the application of IFRS 16, the Group presents the "right-of-use" assets within "Property, plant and equipment" on the same line as the underlying assets of same nature of which it has full ownership. At September 30, 2021, the breakdown of the right-of-use by assets' category is the following:

€'000	Real estate	Heavy vehicles	Light vehicles	Total
Net value at beginning of the period	**251,139**	**33,431**	**24,512**	**309,082**
Net value at end of the period	**246,358**	**37,247**	**23,512**	**307,116**

Change in property, plant and equipment at December 31, 2020

At December 31, 2020, the gross book value of the Group's fleet amounts to € 4,281,662k.

€'000	Rental equipment	Other (a)	Total
Net value at beginning of year	**1,891,220**	**499,181**	**2,390,402**
Changes in scope	-	(434)	**(434)**
Increase	191,869	103,303	**295,172**
Amortization and depreciation of the year	(361,475)	(142,695)	**(504,170)**
Decrease / disposals	(22,463)	(6,663)	**(29,126)**
Reclassification	(6,062)	6,172	**111**
Exchange gains or losses	(22,566)	(2,906)	**(25,472)**
Net value at end of the period	**1,670,523**	**455,959**	**2,126,483**

(a) Since the application of IFRS 16, the Group presents the "right-of-use" assets within "Property, plant and equipment" on the same line as the underlying assets of same nature of which it has full ownership. At December 31, 2020, the breakdown of the right-of-use by assets' category is the following:

€'000	Real estate	Heavy vehicles	Light vehicles	Total
Net value at beginning of the period	**295,951**	**33,652**	**27,931**	**357,534**
Net value at end of the period	**251,139**	**33,431**	**24,512**	**309,082**

Note 6 – Investments in associates

Investments in associates relate to Fortrent Oy in Finland (with a subsidiary operating in Russia, Fortrent LLC).

€'000	31.12.2020	30.09.2021
Value at beginning of the period	**9,815**	**7,536**
Changes in scope	(444)	-
Group share in earnings for the year	1,112	837
Exchange gains or losses	(2,947)	748
Value at end of the period	**7,536**	**9,122**

As mentioned in Note 2.12, investment in associates and joint ventures are subject to an annual impairment test.

Note 7 – Financial assets

Change of Financial assets at September 30, 2021

This heading primarily concerns security deposits paid, mainly in connection with branch real estate leases.

€'000	Deposits and guarantees	Loans and other non-current financial assets	Total
Net value at beginning of period	**13,053**	**7,432**	**20,485**
Changes in scope	247	80	**327**
Increase	555	13	**569**
Decrease	(835)	(1,206)	**(2,041)**
Other movements	62	69	**131**
Exchange gains or losses	3	(46)	**(42)**
Net value at end of the period	**13,086**	**6,343**	**19,428**

Change of Financial assets at December 31, 2020

This heading primarily concerns security deposits paid, mainly in connection with branch real estate leases.

€'000	Deposits and guarantees	Loans and other non-current financial assets	Total
Net value at beginning of period	**13,244**	**8,125**	**21,369**
Increase	1,798	1,660	**3,458**
Decrease	(1,279)	(2,474)	**(3,753)**
Other movements	0	(5)	**(5)**
Exchange gains or losses	(709)	125	**(584)**
Net value at end of the period	**13,053**	**7,432**	**20,485**

Note 8 – Inventories

€'000 - Net value	31.12.2020	30.09.2021
Parts and consumables	28,559	18,209
Trade	16,934	34,688
Total	**45,493**	**52,897**

Note 9 – Trade and other receivables

€'000	31.12.2020	30.09.2021
Gross value	501,614	565,182
Impairment	(87,517)	(89,318)
Total trade and other receivables - net	**414,097**	**475,864**

Note 10 – Income tax receivables and other current assets

€'000	31.12.2020	30.09.2021
Income tax receivables	18,776	11,016
Prepaid expenses	14,660	23,859
Other receivables	26,740	29,779
Other current assets	41,399	53,638
Total income tax receivables and other current assets	**60,176**	**64,653**

Note 11 – Cash management assets, cash and cash equivalents

€'000	31.12.2020	30.09.2021
Other marketable securities	103,777	103,057
Cash	524,167	498,831
Total	**627,945**	**601,887**

Marketable securities comprise cash investment funds (SICAV) as well as term accounts and deposits in line with the IAS 7 definition of cash and cash equivalents (see Note 2.16).

Note 12 – Shareholders' equity

The share capital amounts to €224,818,150 split into 22,481,815 shares with a par value of €10 at September 30, 2021. It is fully paid up.

Note 13 – Financial risk management - Financial instruments

Financial instruments relating to interest rate risk:

As indicated in Note 2.17, the interest rate swaps entered into by the Group are classified as derivative financial instruments.

At September 30, 2021, these agreements relate to a notional amount of €211,967k with next maturity date in October 2021 (mainly concern Ramirent for €105,000k and Nationwide Platforms for £90,000k).

At September 30, 2021, the fair value of these derivative instruments amounts to €1,526k compared to €3,611k at December 31, 2020. Fair value adjustments are accounted in financial income for an amount of €1,260k, in OCI reserves for €860k and in exchange losses for €(35)k at September 30, 2021.

The fair value is estimated based on forecasts of observable interest rates on the derivatives market and classified as Level 2 in accordance with the classification presented in Note 2.8.

Financial instruments relating to foreign exchange risk:

As indicated in Note 2.18, foreign currency put options entered into by the Group are classified as derivative financial instruments.

At September 30, 2021, Loxam SAS hold forward contracts on the British pound for GBP 33,636k compared to GBP 31,136k at December 31, 2020. Ramirent hold forward contracts on the Norwegian krone for NOK 365,000k and Swedish krone for SEK 65,000k at September 30, 2021.

The fair value of these financial instruments is a liability for €982k at September 30, 2021, compared to an asset for €804k and a liability for €1,455k at December 31, 2020. The change in fair value is recorded as a financial expense for an amount of €330k at September 30, 2021.

The fair value is estimated based on forecasted exchange rates observable on the currency market and is classified as Level 2 in accordance with the classification presented in Note 2.8.

Change in the valuation of financial instruments at September 30, 2021

€'000	Interest Rate swaps	Exchange rate hedging	Financial instruments
Fair value level	Level 2	Level 2	
Value at beginning of year	**3,611**	**651**	**4,262**
Value adjustment in OCI	(860)	-	**(860)**
Value adjustment in P&L	(1,260)	330	**(930)**
Exchange gains or losses	35	-	**35**
Value at end of the period	**1,526**	**982**	**2,508**

Derivatives instruments included in the assets	**-**
Derivatives instruments included in the liabilities	**2,508**

Change in the valuation of financial instruments at December 31, 2020

€'000	Interest Rate swaps	Exchange rate hedging	Financial instruments
Fair value level	Level 2	Level 2	
Value at beginning of year	**3,168**	**4,440**	**7,608**
Changes in scope	1,091	-	**1,091**
Value adjustment in P&L	(648)	(3,789)	**(4,437)**
Value at end of the period	**3,611**	**651**	**4,262**

Derivatives instruments included in the assets	**(804)**
Derivatives instruments included in the liabilities	**5,066**

Liquidity risk information

Liquidity risk is managed by Loxam's Finance Department, which provides subsidiaries with access to adequate short or long-term financing facilities. The subsidiaries can look to local financing to fund their investments; in this case, these agreements are validated by the Group's Finance Department.

Liquidity is optimised at the parent company level through investment tools with capital guarantees (particularly marketable securities or instant access term deposit accounts).
Transfers between the parent company and its subsidiaries are covered by cash management agreements or loan agreements.
The group is subject to financial ratios pursuant to its bond issuances.

Credit risk information

The Loxam Group has a credit management policy in place enabling it to evaluate the creditworthiness of the customers. Outstanding balances are monitored with regular reports and financial information concerning customers is tracked regularly. Customer provisions are recorded in the accounts for uncollectable amounts at each month end.

Note 14 – Borrowings and financial debt

Following the application of IFRS 16 standard, the Group is presenting separately the lease debt related to finance leasing and the lease liability related to operating lease contracts.

Breakdown of current and non-current financial debt

€’000	31.12.2020	30.09.2021
Bond (a)	2,952,989	2,659,014
State guarantee loan	29,104	207,692
Bilateral and bridge loans net of issuance costs	250,573	248,440
Lease debt	167,817	147,505
Lease liability	232,367	230,859
Other financial debt	-	2,242
Non-current financial debt	**3,632,850**	**3,495,753**
Bond	-	300,000
State guarantee loan	234,888	53,295
Short-term bilateral loans	140,709	99,631
Commercial papers	82,000	94,000
Short-term lease debt	103,750	96,310
Short-term lease liability	87,948	87,944
Other financial debt	30,749	30,890
Current bank borrowings	139	2,965
Current financial debt	**680,183**	**765,035**
Financial debt	**4,313,033**	**4,260,788**

(a) Net of bond issuance costs.

Breakdown of financial debt by interest rate

€’000	31.12.2020	30.09.2021
Variable-rate debt	446,600	237,235
Fixed-rate debt (a)	3,865,516	4,017,869

Bank overdrafts	139	2,965
Other	778	2,718
TOTAL	**4,313,033**	**4,260,788**

(a) Including lease liability

Breakdown of financial debt by maturity

€'000	31.12.2020	30.09.2021
< 1 year	680,183	765,035
1 to 5 years	2,398,088	3,013,154
> 5 years	1,234,762	482,599
TOTAL	**4,313,033**	**4,260,788**

Change in borrowings and financial debt at September 30, 2021

€'000	Beginning of year	Change in scope	Increase	Decrease	Other (a)	Exchanges gains or losses	30.09.2021
Bond issues (b)	**2,952,989**	-	-	-	6,026	-	**2,959,014**
State guarantee loan	**263,992**	-	2,209	(5,213)	-	(1)	**260,987**
Bilateral loans	**391,283**	1,687	57,805	(107,031)	392	3,935	**348,071**
Commercial papers	**82,000**	-	12,000	-	-	-	**94,000**
Lease debt	**271,567**	-	55,885	(83,732)	-	94	**243,815**
Lease liability	**320,315**	3,182	73,727	(79,589)	76	1,094	**318,803**
Other financial debt	**30,889**	2,255	-	-	2,950	4	**36,097**
TOTAL	**4,313,033**	**7,123**	**201,627**	**(275,565)**	**9,443**	**5,126**	**4,260,788**

(a) Including amortization of issuance costs.
(b) Net of issuance costs.

Change in borrowings and financial debt at December 31, 2020

€'000	Beginning of year	Change in scope (a)	Increase	Decrease	Other (b)	Exchanges gains or losses	31.12.2020
Bond issues (c)	**2,969,877**	-	-	(26,024)	9,136	-	**2,952,989**
Revolving Credit Facility	**-**	-	75,000	(75,000)	-	-	**-**
State guarantee loan	**-**	-	264,074	(79)	-	(3)	**263,992**
Bilateral loans	**486,249**	-	41,890	(130,711)	356	(6,501)	**391,283**
Commercial papers	**115,000**	-	-	(33,000)	-	-	**82,000**
Lease debt	**288,517**	-	49,113	(64,663)	(357)	(1,044)	**271,567**
Lease liability	**364,501**	-	66,235	(112,072)	4,177	(2,527)	**320,315**
Other financial debt	**50,020**	(17,736)	-	-	(500)	(895)	**30,889**
TOTAL	**4,274,164**	**(17,736)**	**496,313**	**(441,549)**	**12,811**	**(10,969)**	**4,313,033**

(a) Refers to buyback of the minority stakes of Ramirent.
(b) Including amortization of issuance costs.
(c) Net of issuance costs.

Note 15 – Employee benefits

€'000	31.12.2020	30.09.2021
Net Defined Benefit Obligation	**57,114**	**54,369**

Reconciliation of the commitment and the provision	31.12.2020	30.09.2021
Commitment	59,663	56,917
Plan assets	(2,549)	(2,549)
Net Defined Benefit Obligation at year-end / period	**57,114**	**54,369**

Movement in Defined Benefit Liability	31.12.2020	30.09.2021
Net Defined Benefit Liability at beginning of year	**44,188**	**57,114**
Expense for the financial year	3,199	3,200
Recognition of actuarial gains or losses through OCI (a)	10,199	(4,822)
Benefits or contributions paid by the employer	(1,898)	(577)
Exchange gains or losses	1,425	(547)
Net Defined Benefit Obligation at year-end / period	**57,114**	**54,369**

(a) At September 30, 2021, mainly relates to the increase of discount rates used in France and Sweden. At December 31, 2020, mainly relates to the update of effective hiring dates at Ramirent Sweden.

Breakdown of the expense for the financial year	**31.12.2020**	**30.09.2021**
Current service cost	2,347	2,701
Other	168	(22)
Interest cost	685	521
Expense for the year / period	**3,199**	**3,200**

The provisions for employee benefits concern retirement benefits for €53,355k at September 30, 2021 compared to €56,049k at December 31, 2020 and jubilee awards for €1,013k at September 30, 2021 compared to €1,066k at December 31, 2020.

Note 16 – Provisions

Change in provisions at September 30, 2021

€'000	Provisions for restructuring	Others provisions for contingencies	Provisions for charges	Total
Balance at beginning of year	**4,447**	**8,161**	**2,493**	**15,102**
Allocations	637	311	102	**1,050**
Reversals	(1,674)	(1,960)	(1,128)	**(4,762)**
Exchange gains or losses and other	(30)	75	290	**336**
Balance at end of year / period	**3,380**	**6,588**	**1,757**	**11,725**

Change in provisions at December 31, 2020

€'000	Provisions for restructuring	Others provisions for contingencies	Provisions for charges	Total
Balance at beginning of year	**8,192**	**7,896**	**3,380**	**19,468**
Allocations	1,659	2,800	1,528	**5,987**
Reversals	(5,393)	(1,572)	(2,439)	**(9,405)**
Exchange gains or losses and other	(9)	(963)	24	**(949)**
Balance at end of year / period	**4,447**	**8,161**	**2,493**	**15,102**

Note 17 – Trade payables and other current liabilities

€'000	31.12.2020	30.09.2021
Trade payables	164,391	170,795
Payables to fixed asset suppliers	44,978	61,047
Trade payables and related	**209,369**	**231,841**
Corporate income tax liabilities	**6,376**	**6,757**
Tax and social security liabilities	153,575	165,503
Other liabilities	32,399	46,699
Accrued income	102	244
Other liabilities and accruals	**186,076**	**212,445**
Total current liabilities	**401,821**	**451,043**

Note 18 – Segments information

Since the beginning of 2021, Group's results have been presented under a new geographical breakdown composed of three divisions: France, Nordic countries and the Rest of the World.

- France division, comprising both the generalist and specialist rental operations in France;
- Nordic countries, consisting in Denmark, Norway, Sweden and Finland,
- Rest of the World, including all other international countries where Loxam operates.

Revenue by division

€'000	30.09.2020	*% of total*	30.09.2021	*% of total*
France	574,792	*39.5%*	683,653	*42.7%*
Nordic countries	479,133	*32.9%*	471,313	*29.5%*
Rest of the World	401,576	*27.6%*	444,859	*27.8%*
Total Revenue	**1,455,501**	***100.0%***	**1,599,826**	***100.0%***

EBITDA by division

EBITDA is not a measure of financial performance under IFRS and should not be considered as an alternative to net profit as an indicator of the operating performance or any other measures of performance derived in accordance with IFRS. EBITDA is defined by the Group as profit from ordinary operations plus depreciation and amortization of tangible and intangible assets.

€'000	30.09.2020 restated	% margin	30.09.2021	% margin
France	236,779	*41.2%*	254,796	*37.3%*
Nordic countries	150,820	*31.5%*	147,972	*31.4%*
Rest of the World	149,727	*37.3%*	172,562	*38.8%*
Total EBITDA	**537,326**	***36.9%***	**575,330**	***36.0%***

Profit from ordinary operations by division

€'000	30.09.2020 restated	% margin	30.09.2021	% margin
France	75,356	*13.1%*	106,210	*15.5%*
Nordic countries	33,040	*6.9%*	36,181	*7.7%*
Rest of the World	14,948	*3.7%*	44,086	*9.9%*
Total Profit from ordinary operations	**123,344**	***8.5%***	**186,478**	***11.7%***

Note 19 – Personnel expenses

€'000	30.09.2020	30.09.2021
Salaries	280,330	303,440
Payroll taxes	84,747	93,875
Other personnel expenses (a)	7,460	17,144
Personal benefits	1,272	2,102
Incentive and employee profit-sharing	6,499	10,826
Total personnel expenses	**380,308**	**427,387**
Average headcount	11,130	11,002

(a) Related to severances paid, contributions to social work and other social welfares contributions.

Note 20 – Other operating income and expenses

At September 30, 2021, other operating income and expenses amounted to €(1,731)k and related to the impairment of capitalized costs for non-completed projects in Sweden for €(649)k, the JM Trykluft acquisition costs for €(577)k, the Maskinslussen acquisition costs for €(139)k and the full depreciation of Nacanco's trademark in Loxam Access SRL for €(367)k.

At September 30, 2020, other operating income and expenses included non-recurring costs relating to the squeeze out process of the remaining stakeholder's of Ramirent for €(393)k, legal and audit fees related to non-recurring operations for €(180)k and the net results on disposal of the JV in Denmark for €225k and the Ramirent subsidiary in Finland for €(263)k.

Note 21 – Financial income (expense)

€'000	30.09.2020 restated	30.09.2021
Interest and financing-related expenses (a)	(119,515)	(115,416)
Income from cash and cash equivalents	21	56
Net finance costs	**(119,494)**	**(115,360)**
Foreign exchange gains or losses	(2,995)	(1,085)
Exceptional financial costs (b)	(680)	(4,397)
Fair value adjustments of interest rate Swaps	159	1,260
Other financial income and expenses	444	182
Capital gain on bond redemptions	941	-
Financial income (expense)	**(121,626)**	**(119,400)**

(a) At September 30, 2021, includes expenses related to lease financial debt €(3,301)k and interest related to lease liabilities €(7,371)k.
At September 30, 2020, includes expenses related to lease financial debt €(3,749)k and interest related to lease liabilities €(7,888)k.

(b) At September 30, 2021, relates to commissions and consulting fees on new Revolving Credit Facility.
At September 30, 2020, related to consulting fees on new loans, following the health crisis.

Note 22 – Corporate income tax

Analysis of tax expense

€'000	30.09.2020 restated	30.09.2021
Current tax	(13,406)	(14,426)
Deferred tax	10,209	2,292
Total	**(3,197)**	**(12,134)**

Deferred tax assets and liabilities

€'000	31.12.2020 restated	30.09.2021
Opening balance	**(172,404)**	**(177,614)**
Income (expense)	9,756	2,292
Changes in scope	-	(1,451)
Own funds allocation	2,474	(1,034)
PPA allocation (a)	(19,808)	-
Other changes	2,369	462
Closing balance	**(177,614)**	**(177,345)**
Deferred tax assets	17,788	16,209
Deferred tax liabilities	(195,403)	(193,554)

(a) Related to the purchase price allocation of Ramirent group (linked to the Tax Amortization Benefit application and the change of amortization duration).

Deferred tax assets primarily relate to temporary differences and the use of loss carry forwards. The deferred tax liabilities relate to temporary differences primarily linked to accelerated tax depreciation charges and to intangible assets from the PPA.

Note 23 – Off-balance sheet commitments

€'000	31.12.2020	30.09.2021
Guarantee given to banks for payment of real estate rentals	2,671	2,491
Pledging of business assets as collateral	360	360
Total commitments given	**3,031**	**2,851**
Other bank guarantees received	277	-
Total commitments received	**277**	**-**

Other commitments given to guarantee bank borrowings recorded on the balance sheet:
- Guarantees from Loxam SAS on subsidiaries' borrowings (bilateral loans and finance leases) for €21,471k at September 30, 2021 and for €27,658k at December 31, 2020;
- Guarantees from Ramirent on its subsidiaries' borrowings (bilateral loans and finance leases) for €3,183k at September 30, 2021 and €2,956k at December 31, 2020;
- Guarantee from Loxam SAS relating to the commitments for employee benefits of its subsidiary Ramirent Sweden, capped at MSEK 320;
- Pledge of Loxam Power, Loxam Module, Lavendon Group Ltd and Ramirent Oy shares as well as the Loxam brand as collateral to guarantee €2,300 million of Senior Secured bonds as at September 30, 2021 and December 31, 2020;
- Five-year senior secured Revolving Credit Facility of €345 million. Transfer under the Dailly Act: 110% of the outstanding amount drawn on the revolving loan and pledging of a bank account as collateral to guarantee the revolving loan. The RCF remained undrawn as at September 30, 2021.

In addition, following the application of IFRS 16, the Group applies the exemptions provided by the standard (low-value equipment and short-term contracts) and therefore keeps contractual operating lease commitments.

Note 24 – IFRS 16 restatements related to the application of IFRS IC

The IFRS Interpretations Committee's decision has specified that it is not possible to only use the legal approach to determine the enforceable period of a contract, if the duration cannot be determined definitively at the origin of the contract. The committee considers that a lease contract remains enforceable as long as the lessee or the lessor would have to incur a loss or a more than insignificant penalty in case of the termination of the contract. To determine the enforceable period of a lease, all economic aspects of the lease must be taken into account and not just the contractual termination indemnities.

The Group has applied the IFRS IC decision related to the enforceable period of leases. It has an impact on real estate contracts whose contractual lease term was exceeded and in a situation of tacit renewal, and were hence originally excluded from the IFRS 16 scope.
In order to determine the reasonably certain duration to be applied to leases that are concerned by the IFRS IC decision, the Group has chosen a period of three years from the anniversary date of the contract as an additional lease period (where there is reasonable assurance that the lease will continue). Where appropriate, the duration of these leases may be reassessed in order to take into account the Group's strategic choices.

The IFRS Interpretations Committee decision on the enforceable period of leases was implemented from December 31, 2020 with retroactive effect from January 1, 2019. Therefore, for comparative purposes, the financial information for the nine-month period ended September 30, 2020 has been restated based on the IFRS IC decision which impacts are presented here after.

Statement of financial position

ASSETS (€'000)	30.09.2020 published	IFRS IC Impact	30.09.2020 restated
Intangible assets and goodwill	2,324,704	-	2,324,704
Property, plant and equipment	2,108,152	42,348	2,150,499
Investments in associates	6,967	-	6,967
Financial assets	20,134	-	20,134
Financial derivatives	991	-	991
Deferred tax assets	18,615	-	18,615
Non-current assets	**4,479,563**	**42,348**	**4,521,911**
Inventories	50,506	-	50,506
Trade and other receivables	451,868	-	451,868
Other current assets	44,759	-	44,759
Corporate income tax receivables	18,771	-	18,771
Cash and cash equivalents	676,316	-	676,316
Current assets	**1,242,220**	**-**	**1,242,220**
Total assets	**5,721,783**	**42,348**	**5,764,130**

LIABILITIES (€'000)	30.09.2020 published	IFRS IC Impact	30.09.2020 restated
Share capital	229,818	-	229,818
Additional paid-in capital	1,882	-	1,882
Consolidated reserves	410,691	(432)	410,259
Net profit for the year	(849)	(150)	(999)
Shareholders' equity (Group share)	**641,542**	**(582)**	**640,960**
Non-controlling interests	6,287	-	6,287
Total equity	**647,829**	**(582)**	**647,247**
Employee benefits	49,424	-	49,424
Deferred tax liabilities	195,959	(59)	195,900
Borrowings and financial debt	3,687,401	31,434	3,718,835
Financial derivatives	4,950	-	4,950
Non-current liabilities	**3,937,734**	**31,375**	**3,969,109**
Provisions	14,758	-	14,758
Borrowings and financial debt	703,151	11,555	714,706
Trade and other payables	199,651	-	199,651
Other liabilities	207,871	-	207,871
Corporate income tax liabilities	10,789	-	10,789
Current liabilities	**1,136,219**	**11,555**	**1,147,774**
Total shareholders' equity and liabilities	**5,721,783**	**42,348**	**5,764,130**

Consolidated income statement

€'000	30.09.2020 published	IFRS IC Impact	30.09.2020 restated
Revenue	**1,455,501**	**-**	**1,455,501**
Other income	53,090	-	53,090
Operating income	**1,508,591**	**-**	**1,508,591**
Purchases consumed	(128,907)	-	(128,907)
Personnel expenses	(380,308)	-	(380,308)
Other current expenses	(452,500)	5,650	(446,850)
Taxes and duties	(15,200)	-	(15,200)
Depreciation and amortization – Property, plant and equipment	(371,837)	(5,370)	(377,207)
Depreciation and amortization – Intangibles assets	(36,775)	-	(36,775)
Profit from ordinary operations	**123,065**	**279**	**123,344**
Other operating incomes	225	-	225
Other operating expenses	(836)	-	(836)
Operating profit	**122,454**	**279**	**122,734**
Interest and financing-related expenses	(119,027)	(489)	(119,515)
Other financial income and expenses	(2,110)	(0)	(2,110)
Financial income (expense)	**(121,137)**	**(489)**	**(121,626)**
Profit before tax	**1,318**	**(210)**	**1,108**
Share of result in associates and joint ventures	641	-	641
Income tax expense	(3,256)	59	(3,197)
Net profit	**(1,298)**	**(150)**	**(1,448)**
Non-controlling interests	(449)	-	(449)
Net profit, Group share	**(849)**	**(150)**	**(999)**

	30.09.2020 published	IFRS IC Impact	30.09.2020 restated
Net profit	**(1,298)**	**(150)**	**(1,448)**
Exchange gains or losses	(43,178)	-	(43,178)
Fair value of derivative instruments	(1,117)	-	(1,117)
Tax	214	-	214
Items recycled to profit or loss	***(44,081)***	**-**	***(44,081)***
Remeasurement of liabilities for defined benefit retirement plans	(3,993)	-	(3,993)
Tax	823	-	823
Items not recycled to profit or loss	***(3,171)***	**-**	***(3,171)***
Other comprehensive income	**(47,252)**	**-**	**(47,252)**
Comprehensive income	**(48,550)**	**(150)**	**(48,700)**

EBITDA	**531,676**	**5,650**	**537,326**

Consolidated cash-flow statement

€'000	30.09.2020 published	IFRS IC Impact	30.09.2020 restated
Net profit	**(1,298)**	**(150)**	**(1,448)**
Share of result in associates and joint ventures	(641)	-	(641)
Income tax expense (including deferred tax)	3,256	(59)	3,197
Net finance costs	121,137	489	121,626
Other operating income and expense	38	-	38
Depreciation and provisions, net of reversals	407,890	5,370	413,260
Capital gains on asset disposals	(44,829)	-	(44,829)
Cash flow from operations (before cost of financing and tax)	**485,554**	**5,650**	**491,203**
Income tax paid	(13,406)	-	(13,406)
Financial interest paid	(111,392)	(489)	(111,881)
Financial interest received	2,033	-	2,033
Change in working capital requirements	55,045	-	55,045
Cash flow from operating activities	**417,835**	**5,161**	**422,995**
Impact of changes in scope	(17,283)	-	(17,283)
Acquisitions of fixed assets	(183,120)	(19,785)	(202,905)
Disposals of fixed assets	63,539	-	63,539
Cash flow from investing activities	**(136,864)**	**(19,785)**	**(156,649)**
Dividends paid	-	-	-
Capital movements	-	-	-
Proceeds from loans and borrowings	684,603	19,786	704,389
Repayment of loans and borrowings	(516,318)	(5,162)	(521,480)
Cash flow from financing activities	**168,285**	**14,624**	**182,909**
Change in cash and cash equivalents	**449,256**	**-**	**449,256**
Cash and cash equivalents at beginning of period	229,035	-	229,035
Cash and cash equivalents at end of period	674,688	-	674,688
Impact of exchange rate fluctuations	3,603	-	3,603
Change in cash and cash equivalents	**449,256**	**-**	**449,256**
Other marketable securities	103,362	-	103,362
Cash at bank and on hand	572,954	-	572,954
Current bank borrowings	(1,627)	-	(1,627)
Cash and cash equivalents	**674,688**	**-**	**674,688**

KPMG S.A.
Tour EQHO
2 Avenue Gambetta
CS 60055
92066 Paris la Défense Cedex
France

Constantin Associés - Member of Deloitte Touche Tohmatsu Limited
6 place de la Pyramide
92908 Paris la Défense Cedex
France
S.A. au capital de 831 300 €
642 010 045 RCS Nanterre
Société de Commissariat aux Comptes inscrite à la Compagnie Régionale de Versailles et du Centre

Loxam

Statutory auditors' report on the consolidated financial statements

For the year ended 31 December , 2020
Loxam
256 rue Coatanlem - 56850 Caudan
This report contains 47 pages

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2 Avenue Gambetta
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This is a translation into English of the statutory auditors' report on the financial statements of LOXAM 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 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.

Loxam

Registered office : 256 rue Coatanlem - 56850 Caudan
Share capital : €.224 818 150

Statutory auditors' report on the consolidated financial statements

For the year ended 31 December, 2020

To the annual general meeting of Loxam,

Opinion

In compliance with the engagement entrusted to us by your annual general meeting, we have audited the accompanying consolidated financial statements of Loxam Company for the year ended 31 December 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 31 December 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, for the period from 1st January 2020 to the date of our report.

Emphasis of Matter

We draw attention to the following matter described in Notes 2.3 "Application and interpretation of standards and regulations", 2.13 "Leases" and 26 "restatement related to the application of IFRS IC" to the consolidated financial statements relating to the impact of the IFRIC IC decision published on December 16, 2019, on the assessment of lease terms for contracts renewable by tacit agreement or with no contractual expiry date on the financial statements at 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 relating to the justification of our assessments, we inform you of the following assessments 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, approved in the conditions mentioned above, and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the consolidated financial statements.

Goodwill et and other intangible assets

The Note 2.7 « Business combinations », and Note 2.14 « Impairment of intangible assets and property, plant and equipment » et 4. « Intangible assets and goodwill » set out the methods used to allocate the identifiable assets and liabilities of entities included in the scope of consolidation and the methods used to determine the recoverable amounts of the intangible assets thus generated.

The intangible assets reported in the consolidated financial statements as at 31 December 2020 include EUR 1 826 860 thousand in goodwill, which were subjected to impairment tests in accordance with the methods described in Note 2.14 et 4. (mentioned above) of the consolidated financial statements.

As part of our audit, we assessed, among other things, the method used to perform impairment tests, the consistency of all the data and assumptions that underpin the measurement, as well as the calculation. We evaluated the appropriateness of the notes presented in the consolidated financial statements.

Specific Verifications

We have also performed in accordance with professional standards applicable in France the specific verifications required by law and regulations of the information pertaining to the Group presented in the management report of the Chairman.

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 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 Chairman.

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 financial statements.

As specified in Article L. 823-10-1 of the French Commercial Code, 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.

Rennes, on the 1st April 2021

Paris la Défense, on the 1st April 2021

The statutory auditors

French original signed by

KPMG S.A.

Vincent Broyé
Partner

Constantin Associés

Jean Paul Seguret
Partner

Philippe Soumah
Partner

LOXAM GROUP

CONSOLIDATED FINANCIAL STATEMENTS

31 December 2020

CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2020

Statement of financial position

ASSETS (€'000)	Notes	31.12.2019 (*)	31.12.2020
Intangible assets and goodwill	4	2,353,604	2,307,498
Property, plant and equipment	5	2,390,402	2,126,483
Investments in associates	6	9,815	7,536
Financial assets	7	21,369	20,485
Financial derivatives	13	-	804
Deferred tax assets	22	18,461	17,788
Non-current assets		**4,793,651**	**4,480,594**
Inventories	8	49,302	45,493
Trade and other receivables	9	496,581	414,097
Other current assets	10	52,466	41,399
Corporate income tax receivables	10	22,570	18,776
Cash and cash equivalents	11	230,087	627,945
Current assets		**851,006**	**1,147,711**
Total assets		**5,644,657**	**5,628,304**

(*) Restated following the IFRS IC's decision related to the enforceable period of the lease contracts (Note 2.13)

LIABILITIES (€'000)	Notes	31.12.2019 (*)	31.12.2020
Share capital	12	229,818	224,818
Additional paid-in capital		1,882	1,882
Consolidated reserves		407,439	403,767
Net profit for the year		49,095	4,754
Shareholders' equity (Group share)		**688,234**	**635,221**
Non-controlling interests		9,507	5,544
Total equity		**697,741**	**640,765**
Employee benefits	15	44,188	57,114
Deferred tax liabilities	22	190,865	195,403
Borrowings and financial debt	14	3,792,612	3,632,850
Financial derivatives	13	7,608	5,066
Non-current liabilities		**4,035,274**	**3,890,433**
Provisions	16	19,468	15,102
Borrowings and financial debt	14	481,553	680,183
Trade and other payables	17	205,265	209,369
Other liabilities	17	193,415	186,076
Corporate income tax liabilities	17	11,942	6,376
Current liabilities		**911,642**	**1,097,106**
Total shareholders' equity and liabilities		**5,644,657**	**5,628,304**

(*) Restated following the IFRS IC's decision related to the enforceable period of the lease contracts (Note 2.13)

Consolidated income statement and statement of comprehensive income

€'000	Notes	31.12.2019 (*)	31.12.2020
Revenue	18	1,871,433	**1,988,921**
Other income		59,483	70,706
Operating income		**1,930,916**	**2,059,627**
Purchases consumed		(193,407)	(185,081)
Personnel expenses	19	(467,475)	(513,901)
Other current expenses		(548,772)	(612,897)
Taxes and duties		(19,591)	(19,834)
Depreciation and amortization – Property, plant and equipment		(435,537)	(504,170)
Depreciation and amortization – Intangibles assets		(26,648)	(49,247)
Profit from ordinary operations	18	**239,487**	**174,498**
Other operating incomes	20	947	225
Other operating expenses	20	(29,020)	(12,260)
Operating profit		**211,413**	**162,463**
Interest and financing-related expenses		(126,937)	(158,698)
Other financial income and expenses		(27,935)	63
Financial income (expense)	21	**(154,872)**	**(158,636)**
Profit before tax		**56,542**	**3,828**
Share of result in associates and joint ventures	6	899	1,112
Income tax expense	22	(9,559)	(664)
Net profit		**47,882**	**4,276**
Non-controlling interests		(1,213)	(478)
Net profit, Group share		**49,095**	**4,754**

	31.12.2019 (*)	31.12.2020
Net profit	**47,882**	**4,276**
Exchange gains or losses (b)	26,018	(30,642)
Fair value of derivative instruments	-	(1,097)
Tax	-	-
Items recycled to profit or loss	***26,018***	***(31,739)***
Remeasurement of liabilities for defined benefit retirement plans	498	(10,199)
Tax	(122)	2,512
Items not recycled to profit or loss	***376***	***(7,688)***
Other comprehensive income	**26,394**	**(39,427)**
Comprehensive income	**74,276**	**(35,151)**

	Notes	31.12.2019 (*)	31.12.2020
EBITDA (b)	**18**	**701,671**	**727,915**

(*) Restated following the IFRS IC's decision related to the enforceable period of the lease contracts (Note 2.13)

(a) Of which associates and joint ventures for €(2,947)k.

(b) EBITDA is not a measure of financial performance under IFRS. EBITDA is presented as additional information and is defined by the Group as profit from ordinary operations plus depreciation and amortization of tangible and intangible assets.

Consolidated cash-flow statement

€'000	Notes	31.12.2019 (*)	31.12.2020
Net profit		**47,882**	**4,276**
Share of result in associates and joint ventures	6	(899)	(1,112)
Income tax expense (including deferred tax)	22	9,559	664
Net finance costs	21	154,872	158,636
Other operating income and expense		5,139	1,039
Depreciation and provisions, net of reversals		473,431	562,697
Capital gains on asset disposals		(48,455)	(59,036)
Cash flow from operations (before cost of financing and tax)		**641,529**	**667,163**
Income tax paid		(4,718)	(10,420)
Financial interest paid		(141,600)	(153,090)
Financial interest received		1,194	3,291
Change in working capital requirements		(35,047)	90,196
Cash flow from operating activities	**A**	**461,357**	**597,141**
Impact of changes in scope		(1,052,460)	(17,283)
Acquisitions of fixed assets		(466,086)	(297,539)
Disposals of fixed assets		73,234	85,846
Cash flow from investing activities	**B**	**(1,445,313)**	**(228,976)**
Dividends paid		(6,895)	(553)
Capital movements		-	(19,555)
Proceeds from loans and borrowings	14	2,244,609	496,313
Repayment of loans and borrowings	14	(1,167,290)	(441,549)
Cash flow from financing activities	**C**	**1,070,424**	**34,656**
Change in cash and cash equivalents	**A+B+C**	**86,468**	**402,821**
Cash and cash equivalents at beginning of period		141,418	229,035
Cash and cash equivalents at end of period		229,035	627,805
Impact of exchange rate fluctuations		(1,150)	4,050
Change in cash and cash equivalents		**86,468**	**402,821**
Other marketable securities		102,269	103,777
Cash at bank and on hand		127,818	524,167
Current bank borrowings		(1,052)	(139)
Cash and cash equivalents		**229,035**	**627,805**

(*) Restated following the IFRS IC's decision related to the enforceable period of the lease contracts (Note 2.13)

Consolidated statement of changes in equity

€'000	Share capital	Additional paid-in capital	Other consolidated reserves *	Reserves to be recycled (OCI)	Shareholders' equity (Group share)	Non-controlling interests	Total equity
At 31 December 2018	**229,818**	**1,882**	**408,945**	**(20,798)**	**619,847**	**10,621**	**630,468**
Net profit for the period			49,095		49,095	(1,213)	47,882
Employee benefits				416	416	(40)	376
Exchange gains or losses				25,880	25,880	138	26,018
Comprehensive income			**49,095**	**26,296**	**75,391**	**(1,115)**	**74,276**
Capital movements					-		-
Dividends			(6,895)		(6,895)		(6,895)
Changes in scope					-		-
Other movements			(110)		(110)	(1)	(109)
At 31 December 2019	**229,818**	**1,882**	**451,036**	**5,498**	**688,234**	**9,507**	**697,741**
Net profit for the period			4,754		4,754	(478)	4,276
Employee benefits				(7,678)	(7,678)	(10)	(7,688)
Fair value of derivative instruments				(1,093)	(1,093)	(4)	(1,097)
Exchange gains or losses				(29,285)	(29,285)	(1,358)	(30,642)
Comprehensive income			**4,754**	**(38,056)**	**(33,301)**	**(1,850)**	**(35,151)**
Capital movements	(5,000)		(14,555)		(19,555)	1	(19,554)
Dividends					-	(553)	(553)
Changes in scope					-	(1,403)	(1,403)
Other movements			(157)		(157)	(158)	(315)
At 31 December 2020	**224,818**	**1,882**	**441,079**	**(32,558)**	**635,221**	**5,544**	**640,765**

(*) Restated following the IFRS IC's decision related to the enforceable period of the lease contracts (Note 2.13)

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Note 1 – Presentation and highlights

1.1. Presentation of the Group

Loxam is a French simplified joint stock company ("Société par Actions Simplifiée") with a capital of €224,818,150 as of December 31, 2020, governed by all of the legislation and regulations for commercial companies in France, and particularly the French commercial code ("Code de commerce"). Its registered office is located at 256 rue Nicolas Coatanlem, 56850 Caudan, France.

The Loxam Group is the European equipment rental market leader. With approximately 11,000 employees, the Group has developed a network of over 1,000 branches in 30 countries, mainly in Europe but also in North Africa, the United Arab Emirates, Bahrain, Saudi Arabia, Oman, Qatar and Kuwait as well as in Brazil and Colombia. Following the acquisition of Ramirent in 2019, Loxam has extended its presence in Finland, Sweden, Poland, Czech Republic, Slovakia and also Estonia, Lithuania and Latvia.

1.2. Highlights

Highlights of the period ended December 31, 2020

In an unprecedented market context linked to the Covid-19 pandemic, Loxam reacted strongly to limit its impact and gave an immediate priority to the health and safety of the Group's employees and its customers.

The second priority was to strengthen the Group's liquidity and cash position, reduce capital expenditure projects and strictly control costs by using measures made available by governments, particularly in terms of short-time working and bank loans guarantees.

The Revolving Credit Facility was fully drawn for €75 million as from March 26, 2020, for a period of 6 months. The outstanding drawing was fully repaid on September 30, 2020.

In France, Loxam SAS secured a €230 million loan with a state guarantee ("PGE") with a maturity up to 6 years without any security or covenant. Banks have a guarantee from the French State on this loan covering 90% of the principal borrowed. The funds were received on May 15, 2020.

States guaranteed loans have been granted in Spain for €27.4 million, in Italy for €5.5 million and in Switzerland for CHF 0.5 million.

On October 29, 2020, Loxam SAS decided to buy back and cancel 500,000 shares for €19.6 million. The share capital of Loxam SAS was reduced by €5 million to €224,818,150.

The Group also purchased some subordinated notes for an amount of €26.0 million which have been cancelled as at 31st December 2020. A financial profit of €1.5 million was made on the repurchase of the subordinated notes.

Other significant events of the period

On January 12, 2020, the 50% stake held by Ramirent Oy in the JV Fehmarnbelt Solution Services A/S (Denmark) was sold to its partner Zeppelin Rental of Germany.

On April 4, 2020, Nummelanrinne Koy, a real estate company held by Ramirent Oy was sold.

Loxamed, a 51% subsidiary of Loxam SAS was created in July 2020.

Post closing events

Loxam is not aware of any significant event occurred after December 31, 2020 that could have an impact on its consolidated financial statements.

Despite the uncertainties related to the future evolution of the health crisis and the impact on its operations, the Group is not aware of any significant uncertainty as at December 31, 2020, which may cast the going concern principle for the next twelve months.

Highlights of the period ended December 31, 2019

On January 14, 2019, Nationwide Platforms acquired UK Platforms Limited ("UK Platforms") from HSS Hire Group Plc. UK Platforms is specialized in renting power access equipment from its branch network throughout the United Kingdom.

On April 11, 2019, Loxam issued €500 million of new bonds, split into two tranches:
- A senior secured bond of €300 million due in 2026, paying a coupon of 2.875%
- A senior subordinated bond of €200 million due in 2027, paying a coupon of 4.50%

The proceeds of the issuance were used to redeem the Senior Secured Notes due 2021 and Senior Subordinated Notes due 2022, for a total amount of €464.3 million. This early repayment generated non-recurring financial expenses of € 11.8 million.

On June 9, 2019, Loxam has entered into a €1,500 million bridge loan for the acquisition of Ramirent Plc. The bridge loan has not been drawn.

On June 19, 2019, Loxam launched a voluntary recommended public cash tender offer to purchase all of the issued and outstanding shares of Ramirent Plc., a leading equipment rental company for the construction, industry and services sectors with operations in the Nordic countries, Central Europe and Eastern Europe and a turnover of €712 million in 2018.

On July 18, 2019, at the expiration of the acceptance period on July 18, 2019, Loxam's offer was declared successful as the shares tendered in the Tender Offer represented approximately 96.2% of all the issued and outstanding shares and votes in Ramirent, satisfying the minimum acceptance condition of the Tender Offer. At the end of the subsequent offer period started on July 24, 2019, the total shares tendered were representing approximately 98.2 % of all the issued and outstanding shares in Ramirent.

On July 22, 2019, Loxam successfully issued new bonds for a total of €1,400 million to finance the acquisition of Ramirent, to refinance certain of Ramirent's gross debt and the debt related to the acquisition of Stavdal AB, and to pay the fees and expenses related to the offering and the acquisition. The new bonds were split into three tranches:
- A senior secured bond of €700 million due in 2025, paying a coupon of 3.25%
- A senior secured bond of €450 million due in 2026, paying a coupon of 3.75%
- A subordinated secured bond of €250 million due in 2027, paying a coupon of 5.75%.

On October 31, 2019, activities of UK Platforms were merged with Nationwide Platforms Ltd.
On December 13, 2019, Loxam A / S (Denmark) sold 100% of the shares held in Loxam AS (Norway) to Stavdal AS (Norway).
On December 20, 2019, the transfer of ownership and squeeze out of the outstanding shares of Ramirent became effective. Loxam owns 100% of the shares of Ramirent.

Note 2 – Accounting principles

2.1. Basis of preparation and presentation

The consolidated financial statements for the twelve-month period ended December 31, 2020 include Loxam SAS and its subsidiaries (together "the Group" or "Loxam Group"), including the Group's share in equity affiliates and joint ventures. The financial year-end for all the Group's subsidiaries and entities is December 31. The list of consolidated companies is presented in Note 3.

The Group's consolidated financial statements are prepared in euros, which is the parent company's functional currency. They are prepared on a historical cost basis, with the exception of certain categories of assets and liabilities, measured at fair value, in accordance with IFRS. The categories concerned are mentioned in the following notes.

All the financial data are presented in thousands of euros, rounded to the nearest thousand euros. The total amounts indicated in the tables may differ from the sum of the various items due to rounding.

2.2. Declaration of compliance

The Loxam Group has prepared its consolidated financial statements at December 31, 2020, in accordance with IFRS (International Financial Reporting Standards) as adopted by the European Union at December 31, 2020, with mandatory compliance at this date, with comparative information presented for 2019, established with the same reporting standards.

These standards include International Financial Reporting Standards (IFRS) and International Accounting Standards (IAS), as well as the interpretations of the Standing Interpretations Committee (SIC) and the International Financial Reporting Standards Interpretations Committee (IFRS IC).
These standards are available on the website of the European Commission:
https://ec.europa.eu/info/business-economy-euro/company-reporting-and-auditing/company-reporting_en

The Group financial statements were approved by the Chairman on March 10, 2021.

2.3. Application and interpretation of standards and regulations

Standards and interpretations mandatorily applicable from January 1, 2020 had no material impact on Loxam's consolidated financial statements at December 31, 2020. These are mainly:

- Amendments to IFRS 3 "Business Combinations" – "Definition of a Business";
- Amendments to IAS 1 and IAS 8 "Definition of Material";
- Amendments to References to the Conceptual Framework in IFRS Standards;
- Amendments to IFRS 9 and IFRS 7"Interest Rate Benchmark Reform – Phase 1";
- Amendment to IFRS 16 "Leases" – "Covid-19-related Rent Concessions", approved by the European Union on 12 October 2020.

IFRS 16 Leases - IFRS IC Interpretations relating to the assessment of non-cancellable periods of leases and the amortization period of leasehold improvements: the Group has implemented the decisions taken by the IFRS IC, published on December 2019, concerning the assessment of lease terms for leases renewable by tacit agreement. The IFRS IC confirmed that the non-cancellable period must be determined, taking an economic view as well as assessing the lease's legal

characteristics. The leases concerned are mainly property leases. The IFRS IC also confirmed that the amortization period for non-removable leasehold improvements must not exceed the lease term.
The Group has applied the IFRS IC decision with retroactive effect at January 1, 2019, date of the first time application of IFRS 16 Leases. The impacts of this application are presented in Note 26.

Standards and interpretations adopted by the IASB but not yet applicable at 31 December 2020

The Group has not anticipated any of the following standards and interpretations that may concern the Group and whose application was not mandatory at January 1, 2020:

- Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 “Interest Rate Benchmark Reform – Phase 2”;
- Amendments to IAS 1 “Presentation of Financial Statements” – “Classification of Liabilities as Current or Non-current”;
- Amendments to IAS 37 “Provisions, Contingent Liabilities and Contingent Assets” – “Onerous Contracts – Cost of Fulfilling a Contract”;
- Amendments to IAS 16 “Property, Plant and Equipment” – “Proceeds before Intended Use”;
- Amendments to IFRS 3 “Business Combinations” – “Reference to the Conceptual Framework”;
- Annual Improvements 2018-2020.

2.4. Consolidation principle

A subsidiary is an entity controlled by Loxam SAS. An entity’s control is based on three criteria:

- Power over the entity, i.e. the ability to direct the activities with the greatest impacts on its profitability;
- Exposure to the entity’s variable returns, which may be positive, based on dividends or any other economic benefits, or negative;
- Link between power and these returns, i.e. the ability to exercise power over the entity to influence the returns achieved.

The financial statements of subsidiaries are consolidated from the date on which the Group acquires effective control until such time as control is transferred outside the Group.
The consolidated financial statements include all of the subsidiary’s assets, liabilities, income and expenses. Equity and income are shared between the owners of the Group and non-controlling interests.
Transactions between consolidated companies and intragroup profits are eliminated when preparing the consolidated financial statements.

An associate is an entity over which the Group has significant influence, without having control or joint control over financial and operational policies. The share in the associate’s assets and liabilities, including goodwill, is presented on a separate line on the balance sheet.

A joint venture or joint activity is the result of a contractual arrangement whereby two or more parties agree to carry out an economic activity under joint control. For joint activities, which give each of the co-participants direct rights to assets and obligations for liabilities, assets and liabilities, expenses and income are recognised based on the interests in the joint activity. Joint ventures that confer interests in net assets are accounted for using the equity method.

2.5. Comparability of the financial statements

Loxam’s consolidated financial statements for the period ended December 31, 2020 include 12 months of activity of Ramirent, acquired on July 24, 2019 and consolidated as of August 1, 2019.

Therefore, consolidated financial statements at December 31, 2019 are only including 5 months of activity of Ramirent.

The valuation of intangible assets and goodwill of Ramirent group as well as the purchase price allocation ("PPA") are final in the financial statements at December 31, 2020.

From June 30, 2020, the Group has reviewed its customer provision rules and has adjusted the accounting estimates to be more conservative: customer depreciation rates have been increased based on ageing categories, and receivable balances (excluding disputes) over 18 months are now depreciated 100%. Group rules were then adjusted based on geographies where needed.

2.6. Accounting judgments and estimates

To prepare the consolidated financial statements in accordance with IFRS, the Group makes a certain number of estimates and assumptions that are based on historical information and other factors, including expectations for future events that are considered reasonable in view of the circumstances.

The Group's estimates and judgments with the most significant impacts on the financial statements concern the following elements:

- Impairment tests for intangible assets with an indefinite useful life (primarily goodwill);
- Purchase price allocation related to the acquisitions;
- Measurement of obligations relating to defined benefit plans;
- Measurement of financial instruments at fair value;
- Qualification of lease contracts and enforceable period of these contracts.

These estimates are based on the information available when they were prepared. They are continuously assessed based on past experience and various other factors that are considered to be reasonable, which form the basis for assessments of the book value of assets and liabilities. Estimates may be revised if the circumstances on which they were based change or new information becomes available. Actual results may differ significantly from these estimates depending on different conditions or assumptions.

2.7. Business combinations

a) Business combinations

In accordance with IFRS 3, business combinations are accounted for on the acquisition date, which is the date when control is transferred to the Group.

Goodwill represents the fair value of the consideration transferred (including the fair value of any interest previously held in the company acquired), plus the amount recognised for any non-controlling interest in the company acquired, less the net amount recognised (generally at fair value) for the identifiable assets and liabilities assumed.

When the difference is negative, this is badwill, representing a profit resulting from acquisitions under preferential conditions. Badwill is recognised immediately in profit or loss.

The costs relating to the acquisition are expensed as incurred.

Corrections or adjustments may be made to the fair value of the assets and liabilities assumed and the consideration transferred within 12 months of the acquisition. As a result, the goodwill may be revised.
Contingent consideration relating to business combinations is measured at fair value on the acquisition date and subsequently measured at fair value at each future reporting date. After a one-year period from the acquisition date, any change in the fair value of the contingent consideration classified as a financial liability will be recognised in profit or loss. During this one-year period, any changes to this fair value explicitly related to events occurring after the acquisition date will also be recognised in profit or loss. Other changes will be recognised as adjustments to goodwill.
Goodwill is not amortized. In accordance with IAS 36 Impairment of Assets, it is subject to impairment tests at least once a year and more frequently if there are any indications of impairment.

b) Commitment to buy out non-controlling interests (minority interests), entered into at the time of business combinations, if minorities do not retain current access to profits.

The anticipated acquisition method is applied: the deferred payment for the buyout commitment is recognised as a liability for the present value of the option's exercise price. Goodwill is calculated taking into account the total percentage including the commitment to buy out the non-controlling interests.

c) Commitment to buy out non-controlling interests (minority interests), entered into at the time of business combinations, if minorities retain current access to profits.

The deferred payment for the buyout commitment is recognised as a liability for the present value of the option's exercise price. Subsequent changes in the value of the commitment are recognised in equity attributable to owners of the parent.

d) Acquisition of non-controlling interests (minority interests), agreed on after business combinations:

For an additional acquisition of shares in an entity that is already controlled, the difference between the acquisition price of the shares and the additional consolidated equity interest acquired is recognised in equity attributable to owners of the parent, while keeping the consolidated value of the subsidiary's identifiable assets and liabilities, including goodwill, unchanged.

2.8. Foreign currency translation methods

a) Transactions in foreign currencies

Transactions in foreign currencies are converted into euros based on the exchange rate at the date of the transaction.
Monetary assets and liabilities denominated in foreign currencies are converted based on the exchange rate at the reporting date.
Profit and loss data denominated in foreign currencies are converted using the average rate for the period.
The resulting exchange gains or losses are recognised in profit or loss for the year under financial income and expenses.

b) Financial statements in foreign currencies

The assets and liabilities of subsidiaries presented in foreign currencies are converted into euros based on the exchange rate at the reporting date. Income and expenses for these companies are converted into euros at the average exchange rate for the year. The resulting exchange gains or losses are recognised directly in other comprehensive income.
Exchange rates applied at December 31, 2020 (euro vs. currency):

1 EUR =		Closing period rate	Average rate	Opening period rate
AED	Arabic Emirates dirham	4,4870	4,2013	4,1128
BHD	Bahraini dinar	0,4606	0,4299	0,4222
BRL	Brazilian real	6,3480	5,8887	4,5111
CHF	Swiss franc	1,0812	1,0740	1,0874
COP	Colombian peso	4 186,00	4 208,8106	3 683,83
CZK	Czech koruna	26,2400	26,4171	25,4309
DKK	Danish krone	7,4415	7,4540	7,4693
GBP	Pound sterling	0,8935	0,8885	0,8533
KWD	Kuwaiti dinar	0,3715	0,3504	0,3398
MAD	Moroccan dirham	10,8800	10,6908	10,6140
NOK	Norwegian krone	10,4820	10,7196	9,8582
OMR	Omani rial	0,4703	0,4397	0,4311
PLN	Polish zloty	4,5606	4,4383	4,2575
QAR	Qatari riyal	4,4480	4,1112	4,0934
SAR	Saudi riyal	4,5830	4,2917	4,2012
SEK	Swedish krona	10,0498	10,4792	10,4449

2.9. Breakdown of current / non-current assets and liabilities

Under IAS 1, assets and liabilities are classified as “current” or “non-current”.
Loxam applies the following rules for classifying the main balance sheet aggregates:

- Fixed assets are classified as “non-current”;
- Assets and liabilities included in working capital requirements in connection with the business’ normal operating cycle are classified as “current”;
- All deferred tax assets and liabilities are presented as “non-current”;
- All provisions are classified as “current”;
- Financial liabilities are classified as “current” or “non-current”, depending on whether they are due within or later than one year after the reporting date.

2.10. Fair value of financial assets and liabilities

Financial assets and liabilities - including derivatives - measured at fair value are categorized into three levels (1 to 3), each corresponding to a level of fair value observable inputs based on data used in the fair value measurement technique:

- Level 1: fair value determined based on quoted prices in active markets for identical assets or liabilities;
- Level 2: fair value estimated based on observable data for the asset or liability, either directly (i.e. prices) or indirectly (i.e. pricing-derived data);

- Level 3: fair value estimated using valuation techniques that include data relating to the asset or liability that are not based on observable market data.

Further information on the classification of financial instruments for each category is presented in Note 2.18 (Cash and cash equivalents), and Note 2.19 (Derivative financial instruments).

2.11. Intangible assets and goodwill

a) Goodwill

The goodwill resulting from acquisitions of subsidiaries is included in intangible assets. It represents an asset with an indefinite useful life. For the recognition of goodwill, see description in Note 2.7.

b) Trademarks and customer relationships

The application of IFRS 3R may lead to the allocation of an acquisition price to identified intangible assets such as trademarks and client relationships. These intangible assets could be depreciated over 5 to 12 years. Trademarks are depreciated over 5 to 12 years and customer relationships over 8 to 18 years.

c) Other intangible assets

Other intangible assets have a finite useful life and are recorded at their acquisition cost, after deducting accumulated amortization and impairment losses.
The amortization of intangible assets is recorded as an expense on a straight-line basis over the estimated useful life from the moment assets are brought into service.
These other intangible assets are primarily software products, amortized over 1 to 5 years.

2.12. Property, plant and equipment

Property, plant and equipment are recognised at their acquisition cost, after deducting accumulated depreciation and impairment losses. They are not revalued.
The cost includes the expenditure directly attributable to the asset's acquisition.
Depreciation charges for property, plant and equipment are calculated on a straight-line basis over the useful lives indicated below. Land is not depreciated.

- Buildings	10 to 50 years
- Building fixtures and fittings	5 to 20 years
- Tools	3 to 5 years
- Fleet equipment	3 to 15 years
- Other property, plant and equipment	2 to 5 years

Property, plant and equipment are depreciated from the moment they are brought into service.
A residual value is applied to some categories of equipment, in order to take into account the resale value of this equipment at the end of its life.

2.13. Leases

Leases contracts are governed by IFRS 16 since January 1, 2019. The standard has removed the distinction previously made between simple leases and finance leases for the lessee; the lessee recognizes a right-of-use asset and a financial debt representing the rental obligation.

The Group presents the right-of-use within “Property, plant and equipment” on the same line as the underlying assets of same nature of which it has full ownership (see Note 5) and the lease liabilities within "Borrowings and financial debts" in the statement of financial position (see details in Note 14).

Following the Covid-19 pandemic, the Group has obtained rental reductions or deferrals agreed with lessors. Some leases were modified with an impact on the lease duration (extension of several months at the end of the lease).

Under IFRS 16, a lease modification is a change in the scope of a lease, or the consideration for a lease, that was not part of the original terms and conditions of the lease. The modification of the lease requires the lessee to make a corresponding adjustment to the right-of-use asset as well as the remeasurement of the lease liability.
The Group has performed these adjustments accordingly. The initial incremental borrowing rates were kept unchanged as the extension of the leases duration was mostly for 6-month periods.

Following the IFRS Interpretations Committee’s decision related to the enforceable period of leases, it was specified that it is not possible to use only the legal approach to determine the enforceable period of a contract, if the duration cannot be determined definitively at the origin of the contract. The Committee considers that a lease contract remains enforceable as long as the lessee or the lessor would have to bear a loss or a more than insignificant penalty in case of termination of the contract. To determine the enforceable period of a lease, all economic aspects of the lease must be taken into account and not just contractual termination indemnities.

The Group has applied the decisions taken by the IFRS IC. In order to determine the reasonably certain duration to be applied to leases that are concerned by the IFRS IC decision, the Group has chosen a period of three years from the anniversary date of the contract as an additional lease period (where there is reasonable assurance that the lease will continue). Where appropriate, the duration of these leases may be reassessed in order to take into account the Group’s strategic choices.

The implementation of this decision as at December 31, 2020 with retroactive effect at January 1, 2019 is a change in accounting policy. It has an impact on real estate contracts whose contractual lease term was exceeded and in a situation of tacit renewal, and were hence originally excluded from the IFRS 16 scope. Impacts are presented in Note 26.

2.14. Impairment of intangible assets and property, plant and equipment

Assets are reviewed at each reporting date to determine whether there are any indications of impairment. If such indications are identified, the asset’s recoverable amount is estimated.

Goodwill is tested annually and whenever indications of impairments arise.
The value in use retained by the Group corresponds to the value of the future economic benefits expected to be earned from their use and disposal. It is assessed using the discounted cash flow (DCF) method, based on the following principles:

- The cash flows are based on the medium-term business plan (five years) drawn up by top management,
- The discount rate is determined based on the weighted average cost of capital for the business and the region concerned,

- The terminal value is calculated by discounting cash flows to infinity, based on standard cash flows and a perpetuity growth rate. The growth rate is consistent with the development potential of the markets in which the Group operates, as well as its competitive position on these markets.

When the recoverable amount is lower than the net book value of the asset or the cash generating unit, an impairment is recognised in profit or loss.

Impairments recorded for goodwill are irreversible.
The Group is also performing impairment tests for investments in joint ventures and associates by determining their fair value using the same discounted cash flow (DCF) method and comparing it with their recoverable amount.

In the context of the international health crisis, the Group has performed impairment tests on all subsidiaries at June 30, 2020, and has then monitored any indications of impairment loss over 2020. Following impairment tests completed again at December 31, 2020, the Group accounted for:

- A depreciation of the goodwill of Rapid Access (Middle East) for an amount of €10,000k;
- A depreciation of the goodwill of Atlas Rental (Morocco) for an amount of €904k.

Operational assumptions are based on business and EBITDA projections. These have been revised in the light of past performance and the outlook for Rapid Access (Middle East) and Atlas Rental, which explains the impairment loss recorded as such, presented in other operating expenses.

2.15. Financial assets

Financial assets include:

- Securities of non-consolidated companies,
- Security deposits paid,
- Cash management assets,
- Cash and cash equivalents.

Financial assets are measured and recognised in accordance with IAS 32 and IFRS 9.
Financial assets are initially recognised at their fair value.
Financial assets maturing in under one year are classified as current financial assets.

2.16. Inventories

Inventories primarily include trade products, parts and consumables. Inventories are measured using the weighted average cost method.
An impairment is recognised when the realisable value, less costs of disposal, is lower than the book value.

2.17. Trade receivables and other current assets

Trade receivables and other current assets are generally measured at their nominal value, when this is considered to be close to their fair value. Provisions for impairment are recorded for receivables when their recoverable value amount is lower than their book value.

From June 30, 2020, the Group has reviewed its customer provision rules and has adjusted the accounting estimates to be more conservative: customer depreciation rates have been increased based on ageing categories, and receivable balances (excluding disputes) over 18 months are now depreciated 100%. Group rules were then adjusted based on geographies where needed.

The Group has also adopted an expected credit loss impairment model following the simplified method allowed by the IFRS 9 standard (use of a provision matrix). At December 31, 2020, the Group has assessed the expected credit loss taking into account reasonable and supportable information at the closing date.

2.18. Cash management assets and Cash and cash equivalents

In accordance with IAS 7 Statement of Cash Flows, the cash recorded in the consolidated cash flow statement includes cash at bank and on hand, bank credit balances and cash equivalents. Cash equivalents correspond to liquid short-term deposits that are easily convertible into a determinable amount of liquid assets and subject to an insignificant risk of changes in value.

Term deposits for over three months, which include options for early withdrawals at any time without notice, particularly to cover short-term cash commitments, are consistent with the definition of cash and cash equivalents from IAS 7 in the following cases:

- The capital is guaranteed even in the event of early withdrawal,
- No penalties are due in the form of payments to the financial institution managing the investment, or non-payment of part of the return on the investment. When the return is calculated based on the rate for the previous period or a reduced rate, without any significant change in the value of the amount of the return received, this is not considered to be a penalty and does not call into question the investment's classification as cash and cash equivalents.

Cash management financial assets comprise money-market securities, bonds and shares in UCITS invested over a short-term management horizon that do not meet the criteria for being classified as cash equivalents under IAS 7. They are measured and recognised at fair value. Changes in fair value are recognised in profit or loss.
Purchases and sales of cash management financial assets are recognised on the transaction date.
Marketable securities classified as cash equivalents on the reporting date are recognised at fair value through profit or loss, with their fair value based on their net asset value.

2.19. Derivative financial instruments – relating to the interest rate risk

The Group holds interest rate swaps to reduce its net interest rate risk exposure.
These derivative financial instruments are initially recognised at their fair value. This fair value corresponds to Category 2 consistent with the definitions given in Note 2.10.

Changes in the fair value of financial instruments that do not qualify for hedge accounting are recognised in the income statement. Financial instruments documented in a hedging relationship are recognised in other comprehensive income (see Note 13).

2.20. Derivative financial instruments – relating to the foreign exchange risk

On an ad hoc basis, and consistent with its market forecasts, the Loxam Group uses financial instruments to reduce its net foreign exchange risk exposure, mainly on British pound, Norwegian krone and Swedish krona since the acquisition of Ramirent.

The Group primarily uses forward currency sales options. As these instruments concern intra-group receivables, which are eliminated in the consolidated financial statements, the Group has not opted to apply hedge accounting. These foreign exchange derivative instruments are recognised at fair value on the balance sheet. Fair value adjustments are recognised in profit or loss.

2.21. Employee benefits

Under IAS 19 (revised), all current and future benefits or compensation acquired by employees in return for services rendered during the current period and prior periods must be recognised as an expense over the period when rights are vested.
In accordance with the laws and practices in each country where it operates, the Group is part of various plans for retirement and post-employment benefits.

a) Defined contribution plans

For defined contribution plans, the Group has no obligations other than the payment of contributions. The contributions paid in to plans are recognised as expenses for the period. Where applicable, provisions are recorded for contributions not made during the period.

b) Defined benefits plans

Retirement and related benefits under defined benefit plans are subject to provisions based on an actuarial calculation carried out at least once a year in accordance with IAS 19 (revised).
To assess retirement benefits, the projected unit credit method is applied: each period of service gives rise to an additional unit of benefit entitlements, and each unit is valued separately to determine the obligation in relation to employees.
The calculations consider the specific features of the various plans, as well as the assumptions for retirement dates, career development and wage increases, and the probability of employees still being employed by the Group when they reach retirement age (informed by staff turnover, mortality tables, etc.). The present value of the obligation is determined based on the interest rates for long-term bonds from top-tier issuers.
An employee benefit liability is recorded for the obligation net of any plan assets measured at fair value.
The net expenses for retirement and related benefits are recognised in operating profit for the period in relation to the cost of services provided during the period. The net financial cost is recognised in financial income and expenses.
Under IAS 19R, the actuarial gains or losses generated by changes in assumptions on the net defined benefit liability or differences between interest income and the actual returns on plan financial assets are recognised immediately in other comprehensive income and cannot be recycled to profit or loss.

c) Other long-term benefits

Certain other long-term benefits are also subject to provisions, which are determined with a similar actuarial calculation to that applied for defined benefit plans.
These benefits primarily concern jubilee awards. Remeasurements of the obligation are recognised in profit or loss.

2.22. Provisions

In accordance with IAS 37 Provisions, Contingent Liabilities and Contingent Assets, a provision is recorded when, on the reporting date, the Group has an obligation (legal or implied), it is probable that an outflow of resources representing economic benefits will be required to extinguish this obligation, and the amount of the obligation can be estimated reliably.

These provisions are estimated taking into account the most probable assumptions on the reporting date.

2.23. Borrowings and financial debt

Interest-bearing liabilities are initially measured at their fair value, less any directly attributable transaction costs. Subsequently, borrowings and financial debt are measured at their amortized cost using with the effective interest rate method.

The Loxam Group regularly issues loans on the bond market in order to finance its acquisitions. As part of its policy aimed at renewing its debt, the Group's Finance Division weighs up the renewal of tranches reaching maturity at least two years before the redemption term.

Since 2016, the effective interest rate on bond loans has been calculated over the term of the loan less two years.

Since January 1, 2019, borrowings and financial debt include lease liabilities.

2.24. Trade payables and related

Trade and other payables are recorded at their nominal value, which corresponds to their fair value.

2.25. Tax

Income tax includes both current and deferred tax.

Current tax corresponds to the cumulative amount of corporate income tax payable on taxable income for all the Group's companies and is determined using the tax rates adopted on the reporting date.

Deferred tax is recorded, using the accrual method, generally for temporary differences on the reporting date between the taxable base for assets and liabilities and their book value on the balance sheet.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the assets will be realized or the liabilities settled, based on the tax rates (and tax regulations) that have been enacted or substantively enacted at the reporting date.

In the event of deductible temporary differences and tax losses, deferred tax assets are recognised for the amount of the deferred tax liabilities whose repayment will make it possible to allocate these tax losses, and beyond that if it is likely that the Group will have future taxable profits.

Deferred taxes are recorded for each entity. Deferred tax assets and liabilities are offset on the balance sheet when taxes are levied by the same tax authority and they relate to the same taxable entity.

Taxes relating to elements recorded in other comprehensive income are recognised in other comprehensive income and not in profit or loss.

The Group applies IFRIC 23 interpretation relating to measurement and recognition when there is uncertainty over income tax treatments.

2.26. Revenue

Revenue comprises income from equipment rental, services and sales related to rental activities (transportation, damage waivers, labor charges invoiced for repairs) and sales of goods.

Rental revenue
Revenue generated from equipment rental is recognised straight line over the rental period. Contract durations can vary from one day to a few months but are mostly short-term. The contract ends upon the equipment return.

Additional services to the equipment rental and other services
Additional services mainly concern transportation, damage waivers, labor charges invoiced for repairs. Other services comprise training and repair recharges (including spare parts). These services are recognised at the end of the service completion. Revenue linked to fuel consumption is recognised upon the equipment return.

The Group is also offering a wide range of different kind of services thanks to the acquisition of Ramirent group: worksite planning, logistics, on-site support, assembly and disassembly services. The revenue is recognised in accordance with IFRS 15 «Revenue from contracts with customers», when the services are rendered to the customer over time or when the customer controls the work in progress.

Retail revenue and sale of equipment
Revenue from retail activities and sale of equipment is recognised upon delivery to the customer.

2.27. Other income

Other income primarily concerns net capital gains on disposals of assets in connection with the Group's normal operating cycle.

2.28. Other current expenses

Other current expenses primarily include external services (particularly subcontracted maintenance and transportation costs, property and real estate rentals that are not in the scope of the new IFRS 16 standard, and general administrative costs), in addition to losses on receivables net of changes in provisions.

2.29. Other operating income and expenses

Other operating income and expenses concern items that involve a very limited number of occurrences, that are unusual, abnormal and uncommon and that involve particularly significant amounts, which the company presents separately in profit or loss to make it easier to understand recurring operational performance.

2.30. Financial income and expenses

Financial income primarily concerns interest on investments.
Financial expenses primarily concern interest on bonds, bilateral loans and leasing, amortized cost related to bonds, as well as changes to the fair value of financial instruments. It also includes the interest cost related to the lease liability since the first time application IFRS 16 as of January 1, 2019.
Exchange gains and losses are recorded as financial income or expenses consistent with fluctuations in foreign currencies resulting in gains or losses.

Note 3 – Scope of consolidation

Legal entities	SIREN number (France) or country	% of control	% of interest	Consolidation method
SAS LOXAM	**450776968**	**100%**	**100%**	**Parents**
SAS LOXAM MODULE	433911948	100%	100%	Full
SAS LOXAM POWER	366500585	100%	100%	Full
SAS LOXAMED (a)	887672137	100%	51%	Full
LOXAM GMBH	Germany	100%	100%	Full
LOXAM S.A.	Switzerland	100%	100%	Full
LOXAM S.A.	Belgium	100%	100%	Full
LOXAM RENTAL SARL	Luxembourg	100%	100%	Full
LOXAM LTD	Ireland	100%	100%	Full
LOXAM BV	Netherlands	100%	100%	Full
ATLAS RENTAL	Morocco	100%	51%	Full
LOXAM HOLDING A/S	Denmark	100%	100%	Full
LOXAM A/S	Denmark	100%	100%	Full
DEGRAUS	Brazil	100%	50.1%	Full
SCI AVENUE ARISTIDE BRIAND	384564472	100%	100%	Full
SCI EST POSE	340583160	100%	100%	Full
SAS LOXAM GRANDE ARMEE	572045953	100%	100%	Full
SCI TARTIFUME	328948013	100%	100%	Full
SCI THABOR	332962125	100%	100%	Full
LOXAMAM	799097944	100%	100%	Full
HUNE RENTAL S.L.	Spain	100%	100%	Full
HUNE ALUGUER LDA	Portugal	100%	100%	Full
GRUAS Y EQUIPOS HUNE	Colombia	100%	100%	Full
HUNE SICO LLC	Saudi Arabia	100%	49%	Full
LAVENDON HOLDINGS LTD	United Kingdom	100%	100%	Full
ZOOOM HOLDINGS LTD	United Kingdom	100%	100%	Full
ACCESS SOLUTIONS LTD	United Kingdom	100%	100%	Full
LAVENDON ACCESS SERVICES LTD	United Kingdom	100%	100%	Full
NATIONWIDE PLATFORMS LTD	United Kingdom	100%	100%	Full
UK PLATFORMS LTD	United Kingdom	100%	100%	Full
BLUESKY TOPCO LTD	United Kingdom	100%	100%	Full
BLUESKY SOLUTIONS LTD	United Kingdom	100%	100%	Full
RAPID ACCESS BV	Netherland	100%	100%	Full
RAPID ACCESS LLC (b)	United Arab Emirates	100%	49%	Full
RAPID ACCESS Holdings S.P.C	Bahrain	100%	100%	Full
RAPID Saudi Arabia Ltd	Saudi Arabia	100%	100%	Full
RAPID ACCESS LLC (c)	Oman	100%	70%	Full
RAPID ACCESS MIDDLE EAST LLC	United Arab Emirates	100%	100%	Full
RAPID ACCESS TRADING WLL (d)	Bahrain	100%	49%	Full
LOXAM ACCESS SRL	Italia	100%	80%	Full
SWAN	Ireland	100%	100%	Full
LIR HOLDINGS LTD	Ireland	100%	100%	Full

RAMIRENT OY	Finland	100%	100%	Full
RAMIRENT INTERNAL SERVICES AB	Sweden	100%	100%	Full
SAFETY SOLUTIONS JONSEREDS AB	Sweden	100%	100%	Full
RAMIRENT AB	Sweden	100%	100%	Full
RAMIRENT SAFE ACCESS AB	Sweden	100%	100%	Full
RENTSAFE SVERIGE AB	Sweden	100%	100%	Full
RAMIRENT FINLAND OY	Finland	100%	100%	Full
FORTRENT OY	Finland	50%	50%	Equity
FORTRENT LLC	Russia	50%	50%	Equity
RAMIRENT AS	Norway	100%	100%	Full
RAMIRENT BALTIC AS	Estonia	100%	100%	Full
RAMIRENT MODULAR FACTORY AS	Estonia	100%	100%	Full
RAMIRENT AS VILNIAUS FILIALAS	Lithuania	100%	100%	Full
RAMIRENT AS RIGAS FILIALE	Latvia	100%	100%	Full
RAMIRENT SHARED SERVICES AS	Estonia	100%	100%	Full
RAMIRENT S.A.	Poland	100%	100%	Full
RAMIRENT S.R.O.	Czech Republic	100%	100%	Full
RAMIRENT SPOL S.R.O.	Slovakia	100%	100%	Full
STAVDAL AB	Sweden	100%	100%	Full
STAVDAL AS	Norway	100%	100%	Full

(a) Loxam SAS has a 51% interest in the shares of Loxamed SAS, company created in July 2020. Loxamed SAS is treated as a wholly owned subsidiary for the group’s accounting purposes.

(b) Rapid Access BV has a 49% interest in the shares of Rapid Access LLC (United Arab Emirates). The Company as a right to give directions with respect to the operating and financial policies of Rapid Access LLC (UAE) and thus is considered to have control. Rapid Access LLC (UAE) is treated as a wholly owned subsidiary for the group’s accounting purposes.

(c) Rapid Access Holding SPC has a 70% interest in the shares of Rapid Access LLC (Oman). The Company has a right to give directions with respect to the operating and financial policies of Rapid Access LLC (Oman) and thus is considered to have control. Rapid Access LLC (Oman) is treated as a wholly owned subsidiary for the group’s accounting purposes.

(d) Rapid Access Middle East LLC (UAE) has a 49% interest in the shares of Rapid Access Trading WLL (Bahrain). The Company has a right to give directions with respect to the operating and financial policies of Rapid Access Trading WLL (Bahrain) and thus is considered to have control. Rapid Access Trading WLL (Bahrain) is treated as a wholly owned subsidiary for the group’s accounting purposes.

Note 4 – Intangible assets and goodwill

Changes in intangible assets and goodwill in 2020

€'000	Intangible assets	Goodwill	Total
Net book value at beginning of year	**430,516**	**1,923,088**	**2,353,604**
PPA allocation (a)	96,819	(74,040)	**22,779**
Increase	4,949	100	**5,049**
Amortization and depreciation of the year (b)	(50,362)	(11,577)	**(61,938)**
Decrease / disposals	(2)	-	**(2)**
Reclassification	1,565	-	**1,565**
Exchange gains or losses (c)	(2,847)	(10,711)	**(13,558)**
Net book value at end of the period	**480,637**	**1,826,860**	**2,307,498**

(a) PPA of Ramirent group adjusted by introducing a Tax Amortization Benefit ("TAB") and updating the amortization durations.
(b) Corresponds to the depreciation of the goodwill of Rapid Access (Middle East) for €10,000k, Atlas Rental (Morocco) for €904k and Hune Pronto Rental (Colombia) for €673k.
(c) Exchange variations mainly concern the Lavendon group.

Changes in intangible assets and goodwill in 2019

€'000	Intangible assets	Goodwill	Total
Net book value at beginning of year	**75,009**	**1,252,277**	**1,327,286**
Changes in scope	373,152	668,171	**1,041,324**
Increase	4,574	-	**4,574**
Amortization and depreciation of the year (a)	(26,648)	(10,000)	**(36,648)**
Decrease / disposals	(10)	-	**(10)**
Reclassification	966	-	**966**
Exchange gains or losses (b)	3,474	12,639	**16,113**
Net book value at end of the period	**430,516**	**1,923,088**	**2,353,604**

(a) Corresponds to the depreciation of the goodwill of Loxam A/S (Denmark).
(b) Exchange variations mainly concern the Lavendon group.

Trademarks and customer relationships in 2020

The purchase price for the following acquisitions was allocated to intangible assets and valued as follows at December 31, 2020:

€'000	Trademarks	Customer Relationships	Total
Lavendon Group	10,752	40,133	50,885
Hune Group	599	3,321	3,920
Loxam Access SRL	367	989	1,356
Ramirent Group	104,383	306,506	410,889
Net value at end of the period	**116,101**	**350,950**	**467,051**

Goodwill impairment tests:

Goodwill and other intangible assets with an indefinite useful life acquired through business combinations are allocated to the CGUs for impairment testing. The CGUs correspond to the countries where the Group operates. For financial reporting, the Group has combined its CGUs for each region: France and International.

Allocation of goodwill for each CGU group:

€'000	31.12.2019	31.12.2020
France	839,830	839,930
International	1,083,258	986,931
FY 2020	**1,923,088**	**1,826,860**

Goodwill is tested at least once a year and whenever indications of impairment arise. The last test was performed in December 2020.

In these tests, the book value of the net asset, including goodwill allocated to a CGU, is compared with its recoverable amount. The recoverable amount is determined using the "Discounted Cash Flow" method. The cash flow forecasts used for the calculations are based on amounts from the following year's budget approved by management, and forecasts for the next four years.

The cash flow forecasts covering a five-year period are based on experience and development forecasts for the markets in which the Group operates. Cash flows are calculated net of tax and discounted to their present value with a discount rate reflecting the risks associated with the cash flows. The discount rates correspond to the weighted average cost of capital (WACC) calculated for each CGU, in line with the sector's financial structure and market data.

Following the result of this impairment test, the goodwill of Rapid Access (Middle East) was depreciated for an amount of €10,000k and of Atlas Rental (Morocco) for an amount of €904k.

The assumptions used were as follows:

	Rapid Access Middle East		**Atlas Rental**	
%	**31.12.2019**	**31.12.2020**	**31.12.2019**	**31.12.2020**
Discount rate	9,5%	10,2%	8,3%	8,8%
Compound annual growth rate (CAGR)	1,4%	13,3%	5,5%	10,4%
Perpetuity growth rate	3,0%	3,0%	4,0%	4,0%

For the other entities of the group, no impairment was recorded since the recoverable value exceeded the book value for each CGU.

The following assumptions, considered to be key assumptions, were used to calculate the discounted value of cash flow forecasts for the CGUs:

	31.12.2019		31.12.2020	
%	Perpetuity growth rate	Discount rate	Perpetuity growth rate	Discount rate
France	1.5%	6.61%	1.5%	6.10%
International	1.5% to 7%	6.0% to 13.3%	1.5% to 7%	5.1% to 15.0%

Perpetuity growth rate: The perpetuity growth rate reflects a moderate level of inflation expected for the entire region in which the Group operates.

Discount rate: The cash flow forecasts are discounted with a specific rate for each CGU. The weighted average cost of capital (WACC) represents the discount rate. To determine the specific rate for each CGU, the specific risk for each country is taken into account, including assumptions for fluctuations in inflation and/or exchange rates.

Sensitivity analysis regarding the key assumptions: the amounts presented below include the value assigned to the main parameters, for each assumption taken separately, for which the book value is equal to its recoverable amount. In the sensitivity analysis, the parameters for the perpetuity growth rate and discount rate are modified independently, while holding the other assumptions constant.

Sensitivity tests: value of the parameter to reach the book value:

	31.12.2019		31.12.2020	
%	Perpetuity growth rate	Discount rate	Perpetuity growth rate	Discount rate
France	-3.3%	9.7%	-4.5%	10.0%
International	-6.4%	11.3%	-1.6%	8.3%

Note 5 – Property, plant and equipment

Change in property, plant and equipment in 2020

At December 31, 2020, the gross book value of the Group's fleet amounts to € 4,281,662k.

€'000	Rental equipment	Other (a)	Total
Net value at beginning of year	**1,891,220**	**499,181**	**2,390,402**
Changes in scope	-	(434)	**(434)**
Increase	191,869	103,303	**295,172**
Amortization and depreciation of the year	(361,475)	(142,695)	**(504,170)**

Decrease / disposals	(22,463)	(6,663)	**(29,126)**
Reclassification	(6,062)	6,172	**111**
Exchange gains or losses	(22,566)	(2,906)	**(25,472)**
Net value at end of the period	**1,670,523**	**455,959**	**2,126,483**

(a) Since the application of IFRS 16, the Group presents the "right-of-use" assets within "Property, plant and equipment" on the same line as the underlying assets of same nature of which it has full ownership.

At December 31, 2020, the breakdown of the right-of-use by assets' category is the following:

€'000	Real estate	Heavy vehicles	Light vehicles	Total
Net value at beginning of the period	**295,951**	**33,652**	**27,931**	**357,534**
Net value at end of the period	**251,139**	**33,431**	**24,512**	**309,082**

Change in property, plant and equipment in 2019

At December 31, 2019, the gross book value of the Group's fleet amounts to € 4,492,690k.

€'000	Rental equipment	Other	Total
Net value at beginning of year	**1,247,993**	**106,708**	**1,354,701**
Changes in scope	624,622	133,970	**758,592**
Increase	344,915	113,973	**458,888**
Impact of first time application IFRS 16 (a)	-	259,845	**259,845**
Amortization and depreciation of the year	(320,800)	(115,053)	**(435,853)**
Decrease / disposals	(21,281)	(2,373)	**(23,653)**
Reclassification	(2,200)	(772)	**(2,972)**
Exchange gains or losses	17,972	2,883	**20,855**
Net value at end of the period (b)	**1,891,220**	**499,181**	**2,390,402**

(a) The group has applied IFRS16 for the first time on January 1, 2019, using the modified retrospective approach. Further to the IFRS IC's 2020 decision related to the enforceable period of the lease agreement, the impact has been restated in the 2019 financial information. The breakdown of restated gross values by assets' category is the following at January 1, 2019:

€'000	Real Estate	Heavy vehicles	Light vehicles & other	Total
Right-of-use assets	207,643	18,399	33,804	**259,845**

At December 31, 2019, the gross value of right-of-use amounts to €466,450k as a result of the acquisition of Ramirent, and of the new head office lease in France.

(b) Property acquired under finance leases and historically accounted for in accordance with IAS 17 are almost entirely included in the "Rental Equipment" column and amount to €375,123k of net book value.

Note 6 – Investments in associates

Investments in associates relate to Fortrent Oy in Finland (with a subsidiary operating in Russia, Fortrent LLC). Fehmarnbelt Solution Services A/S in Denmark was sold in Januray 2020 (see Note 1).

€'000	31.12.2019	31.12.2020
Value at beginning of the period	**-**	**9 815**
Changes in scope	8,734	(444)
Group share in earnings for the year	899	1 112
Exchange gains or losses	182	(2 947)
Value at end of the period	**9,815**	**7 536**

As mentioned in Note 2.14, investment in associates and joint ventures are subject to an annual impairment test.

Note 7 – Financial assets

Change of Financial assets in 2020

This heading primarily concerns security deposits paid, mainly in connection with branch real estate leases.

€'000	Deposits and guarantees	Loans and other non-current financial assets	Total
Net value at beginning of period	**13,244**	**8,125**	**21,369**
Increase	1,798	1,660	**3,458**
Decrease	(1,279)	(2,474)	**(3,753)**
Reclassification	0	(5)	**(5)**
Exchange gains or losses	(709)	125	**(584)**
Net value at end of the period	**13,053**	**7,432**	**20,485**

Change of Financial assets in 2019

€'000	Deposits and guarantees	Loans and other non-current financial assets	Total
Net value at beginning of period	**13,284**	**1,097**	**14,381**
Changes in scope (a)	-	7,133	**7,133**
Increase	507	1,878	**2,385**
Decrease	(515)	(1,983)	**(2,498)**
Exchange gains or losses	(32)	-	**(32)**
Net value at end of the period	**13,244**	**8,125**	**21,369**

(a) Relates to Ramirent.

Note 8 – Inventories

€'000 - Net value	31.12.2019	31.12.2020
Trade	20,606	28,559
Parts and consumables	28,696	16,934
Total	**49,302**	**45,493**

Note 9 – Trade and other receivables

€'000	31.12.2019	31.12.2020
Gross value	596,657	501,614
Impairment	(100,076)	(87,517)
Total trade and other receivables - net	**496,581**	**414,097**
Not due	67%	71%
Due < 30 days	18%	16%
Due from 30 to 60 days	5%	5%
Due > 60 days	10%	9%

Note 10 – Income tax receivables and other current assets

€'000	31.12.2019	31.12.2020
Income tax receivables	22,570	18,776
Prepaid expenses	26,096	14,660
Other receivables	26,370	26,740
Other current assets	52,466	41,399
Total income tax receivables and other current assets	**75,036**	**60,176**

Note 11 – Cash management assets, cash and cash equivalents

€'000	31.12.2019	31.12.2020
Other marketable securities	102,269	103,777
Cash	127,818	524,167
Total	**230,087**	**627,945**

Marketable securities comprise cash investment funds (SICAV) as well as term accounts and deposits in line with the IAS 7 definition of cash and cash equivalents (see Note 2.18).

Note 12 – Shareholders' equity

The share capital amounts to €224,818,150, split into 22,481,815 shares with a par value of €10 at December 31, 2020. It is fully paid up.

During the year 2020, Loxam SAS has reduced its share capital for a nominal amount of €5,000k. The difference between the net price of shares buyback and the nominal amount of shares was recorded in "consolidated reserves" for €14,555k.

Note 13 – Financial risk management - Financial instruments

Financial instruments relating to interest rate risk:

As indicated in Note 2.19, the interest rate swaps entered into by the Group are classified as derivative financial instruments.

At December 31, 2020, these agreements relate to a notional amount of €288,427k with next maturity date in April 2021 (mainly concern Ramirent for €165,000k and Nationwide Platforms for £90,000k).

At December 31, 2020, the fair value of these derivative instruments amounts to €3,611k compared to €3,168k at December 31, 2019. Fair value adjustments are accounted in financial income for an amount of €648k and in OCI reserves for €(1,091)k at December 31, 2020.

The fair value is estimated based on forecasts of observable interest rates on the derivatives market and classified as Level 2 in accordance with the classification presented in Note 2.10.

Financial instruments relating to foreign exchange risk:

As indicated in Note 2.20, foreign currency put options entered into by the Group are classified as derivative financial instruments.

At December 31, 2020, Loxam SAS hold forward contracts on the British pound for GBP 31,136k compared to GBP 46,290k at December 31, 2019. Ramirent hold forward contracts on the Norwegian krone for NOK 365,000k and Swedish krone for SEK 550,000k as at December 31, 2020.

The fair value of these financial instruments is an asset for €804k and a liability of €1,455k at December 31, 2020, compared to a liability of €4,410k at December 31, 2019. The change in fair value is recorded as a financial income for an amount of €3,789k at December 31, 2020.

The fair value is estimated based on forecasted exchange rates observable on the currency market and is classified as Level 2 in accordance with the classification presented in Note 2.10.

Change in the valuation of financial instruments at December 31, 2020

€'000	Interest Rate swaps	Exchange rate hedging	Financial instruments
Fair value level	Level 2	Level 2	
Value at beginning of year	**3,168**	**4,440**	**7,608**
Value adjustment in OCI	1,091	-	**1,091**
Value adjustment in P&L	(648)	(3,789)	**(4,437)**

Value at end of the period	**3,611**	**651**	**4,262**

Derivatives instruments included in the assets	**(804)**
Derivatives instruments included in the liabilities	**5,066**

Change in the valuation of financial instruments at December 31, 2019

€'000	Interest Rate swaps	Exchange rate hedging	Financial instruments
Fair value level	Level 2	Level 2	
Value at beginning of year	**1,400**	**913**	**2,313**
Changes in scope	3,227	(264)	**2,963**
Value adjustment in P&L	(1,459)	3,791	**2,332**
Value at end of the period	**3,168**	**4,440**	**7,608**

Derivatives instruments included in the assets	**-**
Derivatives instruments included in the liabilities	**7,608**

Liquidity risk information

Liquidity risk is managed by Loxam's Finance Department, which provides subsidiaries with access to adequate short or long-term financing facilities.

The subsidiaries can look to local financing to fund their investments; in this case, these agreements are validated by the Group's Finance Department.

Liquidity is optimised at the parent company level through investment tools with capital guarantees (particularly marketable securities or instant access term deposit accounts).

Transfers between the parent company and its subsidiaries are covered by cash management agreements or loan agreements.

The group is subject to financial ratios pursuant to its bond issuances.

In light of the sanitary crisis and its immediate effect on the business and its financial performance, Loxam has obtained from its RCF lenders a waiver which entails a covenant holiday on its financial debt ratio until March 31, 2021.

Credit risk information

The Loxam group has a credit management policy in place enabling it to evaluate the creditworthiness of the customers. Outstanding balances are monitored with regular reports and financial information concerning customers is tracked regularly. Customer provisions are recorded in the accounts for uncollectable amounts at each month end.

Note 14 – Borrowings and financial debt

Following the application of IFRS 16 standard, the Group is presenting separately the lease debt related to finance leasing and the lease liability related to operating lease contracts.

Breakdown of current and non-current financial debt:

€'000	31.12.2019 restated	31.12.2020
Bond (a)	2,969,877	2,952,989
State guarantee loan	-	29,104
Bilateral and bridge loans net of issuance costs	366,912	250,573
Lease debt	191,542	167,817
Lease liability	263,767	232,367
Other financial debt	514	-
Non-current financial debt	**3,792,612**	**3,632,850**
State guarantee loan	-	234,452
Short-term bilateral loans	119,337	141,145
Commercial papers	115,000	82,000
Short-term lease debt	96,975	103,750
Short-term lease liability	100,734	87,948
Other financial debt	48,455	30,749
Current bank borrowings	1,052	139
Current financial debt	**481,553**	**680,183**
Financial debt	**4,274,164**	**4,313,033**

(a) Net of bond issuance costs.

Breakdown of financial debt by interest rate

€'000	31.12.2019 restated	31.12.2020
Variable-rate debt	571,948	446,600
Fixed-rate debt (a)	3,699,798	3,865,516
Bank overdrafts	1,052	139
Other	1,367	778
TOTAL	**4,274,164**	**4,313,033**

(a) Includes lease liability

Breakdown of financial debt by maturity

€'000	31.12.2019 restated	31.12.2020
< 1 year	481,553	680,183
1 to 5 years	1,644,004	2,398,088
> 5 years	2,148,607	1,234,762
TOTAL	**4,274,164**	**4,313,033**

Change in borrowings and financial debt at December 31, 2020

€'000	Beginning of year	Change in scope (a)	Increase	Decrease	Other (b)	Exchanges gains or losses	31.12.2020
Bond issues (c)	**2,969,877**	-	-	(26,024)	9,136	-	**2,952,989**
Revolving Credit Facility	**-**	-	75,000	(75,000)	-	-	**-**
State guarantee loan	**-**	-	263,639	(79)	-	(3)	**263,556**
Bilateral loans	**486,249**	-	42,326	(130,711)	356	(6,501)	**391,719**
Commercial papers	**115,000**	-	-	(33,000)	-	-	**82,000**
Lease debt	**288,517**	-	49,113	(64,663)	(357)	(1,044)	**271,567**
Lease liability	**364,501**	-	66,235	(112,072)	4,177	(2,527)	**320,315**
Other financial debt	**50,020**	(17,736)	-	-	(500)	(895)	**30,889**
TOTAL	**4,274,164**	**(17,736)**	**496,313**	**(441,549)**	**12,811**	**(10,969)**	**4,313,033**

(a) Refers to buyback of the minority stakes of Ramirent.
(b) Including amortization of issuance costs.
(c) Net of issuance costs.

Change in borrowings and financial debt at December 31, 2019

€'000	Beginning of year	Change in scope	First time application IFRS 16	Increase	Decrease	Other	Exchanges gains or losses	31.12.2019
Bond issues	**1,552,170**	-	-	1,873,774	(464,300)	8,233	-	**2,969,877**
Bilateral loans	**409,093**	232,945	-	174,495	(337,279)	319	6,676	**486,249**
Commercial papers	**-**	280,000	-	-	(165,000)	-	-	**115,000**
Lease debt	**293,332**	66	-	113,336	(118,360)	-	144	**288,517**
Lease liability (a)	**-**	102,934	259,845	83,004	(82,352)	(1,180)	2,249	**364,501**
Other financial debt	**24,938**	20,706	-	-	-	4,394	(19)	**50,020**
TOTAL	**2,279,533**	**636,651**	**259,845**	**2,244,609**	**(1,167,290)**	**11,766**	**9,050**	**4,274,164**

(a) Restated following the IFRS IC's decision related to the enforceable period of the lease contracts (see Note 2.13)

Note 15 – Employee benefits

€'000	31.12.2019	31.12.2020
Net Defined Benefit Obligation	**44,188**	**57,114**
Reconciliation of the commitment and the provision		
Commitment	46,072	59,663
Plan assets	(1,884)	(2,549)
Net Defined Benefit Obligation at year-end / period	**44,188**	**57,114**
Movement in Defined Benefit Liability		
Net Defined Benefit Liability at beginning of year	**11,111**	**44,188**
Expense for the financial year	2,063	3,199
Recognition of actuarial gains or losses through OCI (a)	(498)	10,199
Benefits or contributions paid by the employer	(1,025)	(1,898)
Exchange gains or losses	656	1,425
Changes in scope and other (b)	31,881	-
Net Defined Benefit Obligation at year-end / period	**44,188**	**57,114**

(a) At December 31, 2020, mainly relates to the update of effective hiring dates at Ramirent Sweden.
(b) At December 31, 2019, concerns the defined benefit pension plan "ITP2" of Ramirent Sweden.

Breakdown of the expense for the financial year	31.12.2019	31.12.2020
Current service cost	1,583	2,347
Other	89	168
Interest cost	391	685
Expense for the year / period	**2,063**	**3,199**

The provisions for employee benefits concern retirement benefits for €56,049k at December 31, 2020 compared to €43,222k at December 31, 2019 and jubilee awards for €1,066k at December 31, 2020 compared to €966k at December 31, 2019.

	31.12.2019		31.12.2020	
Actuarial assumptions used	**France**	**International**	**France**	**International**
Discount rate (a)	1.00	0.20 to 1.75	0,75	0.00 to 2.25
Salary increase rate	1.50	0.00 to 4.6	1.50	0.00 to 4.6
Inflation rate	1.75	0.70 to 2.00	1.75	0.70 to 1.75
Mortality table	THTF 00-02	Depending on the country	THTF 00-02	Depending on the country
Retirement age	65	62 to 70	65	65 to 70

(a) Discount rate retained at December 31, 2020: Mercer Pension Yield Curve Eurozone.

Schedule of future payments over ten years	**31.12.2019**	**31.12.2020**
Less than 1 year	747	658
More than 1 year	13,160	15,412

Sensitivity Analysis - Changes in the defined benefit obligation as %	**31.12.2019**	**31.12.2020**
Discount rate +0.5%	-11%	-10%
Discount rate -0.5%	10%	10%

Note 16 – Provisions

Change in provisions at December 31, 2020

€'000	Provisions for restructuring	Others provisions for contingencies	Provisions for charges	Total
Balance at beginning of year	**8,192**	**7,896**	**3,380**	**19,468**
Change in scope	-	-	-	**-**
Allocations	1,659	2,800	1,528	**5,987**
Reversals	(5,393)	(1,572)	(2,439)	**(9,405)**
Exchange gains or losses and other	(9)	(963)	24	**(949)**
Balance at end of year / period	**4,447**	8,161	**2,493**	**15,102**

Change in provisions at December 31, 2019

€'000	Provisions for restructuring	Others provisions for contingencies	Provisions for charges	Total
Balance at beginning of year	**14**	**6,944**	**4,139**	**11,098**
Changes in scope	2,957	719	578	**4,254**
Allocations	6,455	1,910	1,116	**9,481**
Reversals	(1,217)	(1,447)	(968)	**(3,632)**
Exchange gains or losses and other	(18)	(229)	(1,486)	**(1,733)**
Balance at end of year / period	**8,192**	**7,896**	**3,380**	19,468

Note 17 – Trade payables and other current liabilities

€'000	31.12.2019	31.12.2020
Trade payables	178,598	164,391
Payables to fixed asset suppliers	26,666	44,978
Trade payables and related	**205,265**	**209,369**
Corporate income tax liabilities	**11,942**	**6,376**
Tax and social security liabilities	160,102	153,575
Other liabilities	32,086	32,399
Accrued income	1,227	102
Other liabilities and accruals	**193,415**	**186,076**
Total current liabilities	**410,621**	**401,821**

Note 18 – Segments information

The business of LOXAM group is organized into three divisions:

- Generalist France division, which comprises the generalist rental operations in France;
- Specialist France division, which comprises the specialist rental operations in France;
- International division, which is composed of both generalist and specialist rental operations in 29 countries other than France.

Revenue by division

€'000	31.12.2019	*% of total*	31.12.2020	*% of total*
Generalist France	681,479	*36.4%*	586,832	*29.5%*
Specialist France	242,774	*13.0%*	215,964	*10.9%*
Total France	**924,254**	***49.4%***	**802,796**	***40.4%***
International	947,179	*50.6%*	1,186,125	*59.6%*
Total Revenue	**1,871,433**	***100%***	**1,988,921**	***100%***

EBITDA by division

EBITDA is not a measure of financial performance under IFRS and should not be considered as an alternative to net profit as an indicator of the operating performance or any other measures of performance derived in accordance with IFRS. EBITDA is defined by the Group as profit from ordinary operations plus depreciation and amortization of tangible and intangible assets.

€'000	31.12.2019	*% margin*	31.12.2019 restated	*% margin*	31.12.2020	*% margin*
Generalist France	269,821	*39.6%*	276,235	*40.5%*	235,455	*40.1%*
Specialist France	86,240	*35.5%*	87,734	*36.1%*	82,645	*38.3%*
Total France	**356,061**	***38.5%***	**363,969**	***39.4%***	**318,100**	***39.6%***
International	331,141	*35.0%*	331,141	*35.0%*	404,385	*34.1%*
Real estate (a)	6,562	*n.a*	6,562	*n.a*	5,430	*n.a*
Total EBITDA	**693,764**	***37.1%***	**701,672**	***37.5%***	**727,915**	***36.6%***

(a) Real estate EBITDA corresponds to rental income from real estate held by the group that is not assigned to a division less direct external costs.

Profit from ordinary operations by division

€'000	31.12.2019	% margin	31.12.2019 restated	% margin	31.12.2020	% margin
Generalist France	112,609	*16.5%*	113,128	*16.6%*	77,732	*13.2%*
Specialist France	31,165	*12.8%*	31,456	*13.0%*	27,988	*13.0%*
Total France	**143,775**	*15.6%*	**144,584**	*15.6%*	**105,720**	*13.2%*
International	92,002	*9.7%*	92,002	*9.7%*	66,726	*5.6%*
Real estate (a)	3,087	*n.a*	2,900	*n.a*	2,051	*n.a*
Total Profit from ordinary operations	**238,864**	*12.8%*	**239,487**	*12.8%*	**174,498**	*8.8%*

(a) Real estate EBITDA corresponds to rental income from real estate held by the group that is not assigned to a division less direct external costs.

Note 19 – Personnel expenses

€'000	31.12.2019	31.12.2020
Salaries	343,778	380,549
Payroll taxes	102,907	114,470
Other personnel expenses (a)	13,974	11,297
Personal benefits	647	616
Incentive and employee profit-sharing	6,168	6,969
Total personnel expenses	**467,475**	**513,901**
Average headcount	11,358	11,051

(a) Related to severances paid, contributions to social work and other social welfares contributions

Note 20 – Other operating income and expenses

At December 31, 2020 other operating income and expenses amount to €(12,034)k and mainly relate to the depreciation of the goodwill of Rapid Access (Middle East) for €(10,000)k and Atlas Rental (Morocco) for €(904)k, and the impairment of €(613)k following the disposal of Twinsite, a training business of Ramirent Sweden.

At December 31, 2019 other operating expenses amounted to €(29,020)k. They mainly concerned the acquisition costs relating to UK Platforms and Ramirent for a total of €(12,900)k, the depreciation of the goodwill of Loxam A/S (Denmark) for €(10,000)k, as well as a restructuration plan of the Swedish activities of Ramirent for €(5,200)k.

Other operating income mainly concerned an exceptional profit related to a tax relief program in Brazil.

Note 21 – Financial income (expense)

€'000	31.12.2019 restated	31.12.2020
Interest and financing-related expenses [(a)]	(126,937)	(158,698)
Income from cash and cash equivalents	49	30
Net finance costs	**(126,888)**	**(158,668)**
Foreign exchange gains or losses	2,244	(5,379)
Exceptional financial costs [(b)]	(28,310)	(861)
Fair value adjustments of interest rate Swaps	(2,332)	4,437
Net gain on buyback of bonds	-	1,538
Other financial income and expenses	415	298
Financial income (expense)	**(154,872)**	**(158,636)**

(a) At December 31, 2020, includes expenses related to lease financial debt €(4,938)k and interest related to lease liabilities €(10,703)k, as presented in Note 15.
At December 31, 2019, includes expenses related to lease financial debt €(5,721)k and interest related to lease liabilities €(9,495)k and €(10,550)k after the restatement of IFRS IC.

(b) At December 31, 2020, includes the consultancy fees for the issuance of loans in the sanitary crisis context and the accelerated amortization of issuance of bond fees following the buyback of bonds.
At December 31, 2019, mainly concern the costs related to the follow-up loan of €1,500 million contracted for Ramirent acquisition and the accelerated amortization of issuance cost following the reimbursement of April 2019.

Note 22 – Corporate income tax

Analysis of tax expense

€'000	31.12.2019 restated	31.12.2020
Current tax	(4,718)	(10,420)
Deferred tax	(4,841)	9,756
Total	**(9,559)**	**(664)**

Reconciliation between actual tax and theoretical tax expense

€'000	31.12.2019 restated	31.12.2020
Consolidated income before tax and "CICE" French tax credit, and share of result in associates	**56,542**	**3,828**
Tax rate (parent)	32,02%	28.41%
Theoretical tax expense	**(18,105)**	**(1,087)**
Difference in parent / subsidiary rates	4,166	2,707
Unused tax losses for the year	(2,094)	(4,498)
Use of previously unused losses	786	1,665
Permanent differences	6,906	(933)
Tax credits and other	(1,218)	1,483
Actual tax expense	**(9,559)**	**(664)**
Effective tax rate	16,9%	17,3%

Deferred tax assets and liabilities

€'000	31.12.2019 restated	31.12.2020
Opening balance	**(52,006)**	**(172,404)**
Income (expense)	(4,841)	9,756
Change in scope	(117,254)	-
Own funds allocation	316	2,474
PPA allocation (a)	-	(19,808)
Other changes	1,380	2,369
Closing balance	**(172,404)**	**(177,614)**
Deferred tax assets	18,461	17,788
Deferred tax liabilities	(190,865)	(195,403)

(a) Related to the purchase price allocation of Ramirent group (linked to the Tax Amortization Benefit application and the change of amortization duration).

Deferred tax assets primarily relate to temporary differences and the use of loss carry forwards. The deferred tax liabilities relate to temporary differences primarily linked to accelerated tax depreciation charges and to intangibles assets from the PPA.

Note 23 – Off-balance sheet commitments

€'000	31.12.2019	31.12.2020
Guarantee given to banks for payment of real estate rentals	2,106	2,671
Pledging of business assets as collateral	360	360
Total commitments given	**2,466**	**3,031**
Other bank guarantees received	727	277
Total commitments received	**727**	**277**

Other commitments given to guarantee bank borrowings recorded on the balance sheet:

- Guarantees from Loxam SAS on subsidiaries' borrowings (bilateral loans and finance leases) for €27,658k at December 31, 2020 and for €31,101k at December 31, 2019;
- Guarantees from Ramirent on its subsidiaries' borrowings (bilateral loans and finance leases) for €2,956k at December 31, 2020;
- Guarantee from Loxam SAS relating to the commitments for employee benefits of its subsidiary Ramirent Sweden, capped at MSEK 320;
- Pledge of Loxam Power, Loxam Module, Lavendon Group Ltd and Ramirent Oy shares as well as the Loxam brand as collateral to guarantee €2,300 million of Senior Secured bonds as at December 31, 2020 and December 31, 2019;
- €75 million RCF: transfer under the Dailly Act: 120% of the outstanding amount drawn on the revolving loan and pledging of a bank account as collateral to guarantee the revolving loan. The revolving loan was entirely drew and reimbursed during the period.

In addition, following the application of IFRS 16, the Group applies the exemptions provided by the standard (low-value equipment and short-term contracts) and therefore keeps contractual operating lease commitments.

Note 24 – Related-party transactions

The remuneration of key governing bodies is comprised of the following:

€'000	31.12.2019	31.12.2020
Executive Committee compensation	3,293	3,620
Executive Committee benefits in kind	43	42
Attendance fees paid to directors	42	42
Total amount of compensation and benefits paid to executives and directors	**3,378**	**3,704**

The parent company SAS Loxam concluded a services contract with the company DPZ Partners which holds part of the share capital of SAS Loxam. This contract was concluded under normal market conditions. The services provided to this contract were billed to SAS Loxam for an amount of €1.2 million in 2020 against €1.7 million in 2019.

The SCI Ellipse, subsidiary of DPZ Partners, acquired Le Cap, an office building based in La Défense. Loxam SAS entered into a ten-year lease agreement with SCI Ellipse starting from January 1, 2020. Loxam SAS rents the entirety of the building (approximately 9,515 sqm) for an annual rent of €4.1 million and related taxes for €0.7 million.

Also the Group does not have any significant transactions with related parties that have not been entered into under normal market conditions.

Note 25 – Statutory Auditors' Fees

At December 31, 2020, the total amount paid for accounts certification is as follows:

€'000	Constantin / Deloitte	KPMG	Other
Loxam SAS	252	251	-
Subsidiaries	466	818	364
Total fees	**718**	**1,069**	**364**

Note 26 – Restatement related to the application of IFRS IC

The IFRS Interpretations Committee's decision has specified that it is not possible to use only the legal approach to determine the enforceable period of a contract, if the duration cannot be determined definitively at the origin of the contract. The committee considers that a lease contract remains enforceable as long as the lessee or the lessor would have to bear a loss or a more than insignificant penalty in case of termination of the contract. To determine the enforceable period of a lease, all economic aspects of the lease must be taken into account and not just contractual termination indemnities.

The Group has applied the IFRS IC decision related to the enforceable period of leases. It has an impact on real estate contracts whose contractual lease term was exceeded and in a situation of tacit renewal, and were hence originally excluded from the IFRS 16 scope.
In order to determine the reasonably certain duration to be applied to leases that are concerned by the IFRS IC decision, the Group has chosen a period of three years from the anniversary date of the contract as an additional lease period (where there is reasonable assurance that the lease will continue). Where appropriate, the duration of these leases may be reassessed in order to take into account the Group's strategic choices.

The implementation of this decision as at December 31, 2020 with retroactive effect at January 1, 2019 is a change in accounting policy whose impacts are presented here after.

Statement of financial position

ASSETS (€'000)	Notes	31.12.2019 published	IFRS IC Impact	31.12.2019 restated
Intangible assets and goodwill		2,353,604	-	2,353,604
Property, plant and equipment	5	2,362,477	27,924	2,390,402
Investments in associates		9,815	-	9,815
Financial assets		21,369	-	21,369
Financial derivatives		-	-	-
Deferred tax assets		18,461	-	18,461
Non-current assets		**4,765,726**	**27,924**	**4,793,651**
Inventories		49,302	-	49,302
Trade and other receivables		496,581	-	496,581
Other current assets		52,466	-	52,466
Corporate income tax receivables		22,570	-	22,570
Cash and cash equivalents		230,087	-	230,087
Current assets		**851,006**	**-**	**851,006**
Total assets		**5,616,732**	**27,924**	**5,644,657**

LIABILITIES (€'000)		31.12.2019 published	IFRS IC Impact	31.12.2019 restated
Share capital		229,818	-	229,818
Additional paid-in capital		1,882	-	1,882
Consolidated reserves		407,439	-	407,439
Net profit for the year		49,389	(294)	49,095
Shareholders' equity (Group share)		**688,528**	**(294)**	**688,234**
Non-controlling interests		9,507	-	9,507
Total equity		**698,035**	**(294)**	**697,741**
Employee benefits		44,188	-	44,188
Deferred tax liabilities	22	191,004	(138)	190,865
Borrowings and financial debt	14	3,771,635	20,976	3,792,612
Financial derivatives		7,608	-	7,608
Non-current liabilities		**4,014,436**	**20,838**	**4,035,274**
Provisions		19,468	-	19,468
Borrowings and financial debt	14	474,173	7,380	481,553
Trade and other payables		205,265	-	205,265
Other liabilities		193,415	-	193,415
Corporate income tax liabilities		11,942	-	11,942
Current liabilities		**904,262**	**7,380**	**911,642**
Total shareholders' equity and liabilities		**5,616,732**	**27,924**	**5,644,657**

Consolidated income statement

€'000	31.12.2019 published	IFRS IC Impact	31.12.2019 restated
Revenue	1,871,433	-	1,871,433
Other income	59,472	12	59,483
Operating income	**1,930,905**	**12**	**1,930,916**
Purchases consumed	(193,407)	-	(193,407)
Personnel expenses	(467,475)	-	(467,475)
Other current expenses	(556,668)	7,897	(548,772)
Taxes and duties	(19,591)	-	(19,591)
Depreciation and amortization – Property, plant and equipment	(428,251)	(7,286)	(435,537)
Depreciation and amortization – Intangibles assets	(26,648)	-	(26,648)
Profit from ordinary operations	**238,864**	**623**	**239,487**
Other operating incomes	947	-	947
Other operating expenses	(29,020)	-	(29,020)
Operating profit	**210,791**	**623**	**211,413**
Interest and financing-related expenses	(125,833)	(1,055)	(126,888)
Other financial income and expenses	(27,984)	-	(27,984)
Financial income (expense)	**(153,817)**	**(1,055)**	**(154,872)**
Profit before tax	**56,974**	**(432)**	**56,542**
Share of result in associates and joint ventures	899	-	899
Income tax expense	(9,697)	138	(9,559)
Net profit	**48,176**	**(294)**	**47,882**
Non-controlling interests	(1,213)	-	(1,213)
Net profit, Group share	**49,389**	**(294)**	**49,095**

	31.12.2019 published	IFRS IC Impact	31.12.2019 restated
Net profit	**48,176**	**(294)**	**47,882**
Exchange gains or losses	26,018	-	26,018
Fair value of derivative instruments	-	-	-
Tax	-	-	-
Items recycled to profit or loss	***26,018***	**-**	***26,018***
Remeasurement of liabilities for defined benefit retirement plans	498	-	498
Tax	(122)	-	(122)
Items not recycled to profit or loss	***376***	**-**	***376***
Other comprehensive income	**26,394**	**-**	**26,394**
Comprehensive income	**74,570**	**(294)**	**74,276**

EBITDA	**693,763**	**7,908**	**701,671**

Consolidated cash-flow statement

€'000	31.12.2019 published	IFRS IC Impact	31.12.2019 restated
Net profit	**48,176**	**(294)**	**47,882**
Share of result in associates and joint ventures	(899)	-	(899)
Income tax expense (including deferred tax)	9,697	(138)	9,559
Net finance costs	153,817	1,055	154,872
Other operating income and expense	5,139	-	5,139
Depreciation and provisions, net of reversals	466,145	7,286	473,431
Capital gains on asset disposals	(48,455)	-	(48,455)
Cash flow from operations (before cost of financing and tax)	**633,620**	**7,908**	**641,529**
Income tax paid	(4,718)	-	(4,718)
Financial interest paid	(140,546)	(1,055)	(141,600)
Financial interest received	1,194	-	1,194
Change in working capital requirements	(35,047)	-	(35,047)
Cash flow from operating activities	**454,503**	**6,854**	**461,357**
Impact of changes in scope	(1,052,460)	-	(1,052,460)
Acquisitions of fixed assets	(466,086)	-	(466,086)
Disposals of fixed assets	73,234	-	73,234
Cash flow from investing activities	**(1,445,313)**	**-**	**(1,445,313)**
Dividends paid	(6,895)	-	(6,895)
Capital movements	-	-	-
Proceeds from loans and borrowings	2,244,609	-	2,244,609
Repayment of loans and borrowings	(1,160,437)	(6,854)	(1,167,290)
Cash flow from financing activities	**1,077,278**	**(6,854)**	**1,070,424**
Change in cash and cash equivalents	**86,468**	**-**	**86,468**
Cash and cash equivalents at beginning of period	141,418	-	141,418
Cash and cash equivalents at end of period	229,035	-	229,035
Impact of exchange rate fluctuations	(1,150)	-	(1,150)
Change in cash and cash equivalents	**86,468**	**-**	**86,468**
Other marketable securities	102,269	-	102,269
Cash at bank and on hand	127,818	-	127,818
Current bank borrowings	(1,052)	-	(1,052)
Cash and cash equivalents	**229,035**	**-**	**229,035**

Loxam

Statutory auditors' report on the consolidated financial statements

Year ended December 31, 2019
Loxam
256 rue Coatanlem - 56850 Caudan
This report contains 56 pages
Reference: VB-202-05

Loxam

Registered office: 256 rue Coatanlem - 56850 Caudan
Share capital: €229,818,150

Statutory auditors' report on the consolidated financial statements

For the year ended December 31, 2019

This is a translation into English of the statutory auditors' report on the consolidated financial statements of Loxam 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 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.

To the Shareholders' Meeting of Loxam

Opinion

In compliance with the engagement entrusted to us by your Shareholders' Meeting, we have audited the accompanying consolidated financial statements of Loxam for the year ended December 31, 2019. These financial statements were approved by the Chairman on March 12, 2020 on the basis of the information available at that date in the evolving context of the Covid-19 health crisis.

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 of 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 rules applicable to us, for the period from January 1, 2019 to the date of our report and specifically we did not provide any prohibited non-audit services referred to in the French Code of ethics (*code de déontologie*) for statutory auditors.

Emphasis of matter

We draw your attention to Note 3.2 "Application and interpretation of standards and regulations" to the consolidated financial statements which sets out the impact of new standards on the 2019 accounts and in particular the application of IFRS 16. Our opinion is not modified in respect of this matter.

Justification of our 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 following assessments 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, approved in the conditions mentioned above, and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the consolidated financial statements.

Goodwill and other intangible assets

Notes 3.7 "Business combinations" and 3.14 "Impairment of intangible assets and property, plant and equipment" set out the methods used to allocate the identifiable assets and liabilities of entities included in the scope of consolidation and the methods used to determine the recoverable amounts of the intangible assets thus generated.

Goodwill recorded in the balance sheet for a net amount of €1,923,088 thousand as of December 31, 2019 was tested for impairment in accordance with the methods described in Notes 3.14 "Impairment of intangible assets and property, plant and equipment" and 5 "Intangible assets and goodwill" to the consolidated financial statements.

We examined the methods of implementing these tests and the overall consistency of the data and assumptions used, reviewed the calculations and verified that the notes to the consolidated financial statements provide appropriate disclosures.

Specific verifications

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by law and regulations of the information pertaining to the Group presented in the Chairman's management report approved on March 12, 2020. With regard to the events which occurred and the facts known after the date of approval of the financial statements relating to the impact of the Covid-19 crisis, management indicated to us that they will be communicated to the Shareholders' Meeting called to adopt the financial statements.

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.

These consolidated financial statements have been approved by the Chairman.

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 financial statements.

As specified in Article L.823-10-1 of the French Commercial Code, 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.

Rennes, April 3, 2020

KPMG Audit
Division of KPMG S.A.

Vincent Broyé
Partner

Paris la Défense, April 3, 2020

Constantin Associés
Member of Deloitte Touche Tohmatsu Limited

Jean Paul Seguret
Partner

LOXAM GROUP

CONSOLIDATED FINANCIAL STATEMENTS

AT 31 DECEMBER 2019

CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2019

Statement of financial position

ASSETS (€'000)	Notes	31.12.18 (a)	31.12.19
Intangible assets and goodwill	5	1,327,286	2,353,604
Property, plant and equipment	6	1,354,701	2,362,477
Investments in associates	7	-	9,815
Financial assets	8	14,381	21,369
Deferred tax assets	23	18,394	18,461
Non-current assets		**2,714,762**	**4,765,726**
Inventories	9	30,782	49,302
Trade and other receivables	10	388,497	496,581
Other current assets	11	56,215	52,466
Corporate income tax receivables	11	12,256	22,570
Cash and cash equivalents	12	143,789	230,087
Current assets		**631,539**	**851,006**
Total assets		**3,346,301**	**5,616,732**

LIABILITIES (€'000)	Notes	31.12.18 (a)	31.12.19
Share capital		229,818	229,818
Additional paid-in capital		1,882	1,882
Consolidated reserves		292,489	407,439
Net profit for the year		95,658	49,389
Shareholders' equity (Group share)		**619,847**	**688,528**
Non-controlling interests		10,621	9,507
Total equity	13	**630,468**	**698,035**
Employee benefits	16	11,111	44,188
Deferred tax liabilities	23	70,400	191,004
Borrowings and financial debt	15	2,063,029	3,771,635
Financial derivatives	14	2,313	7,608
Non-current liabilities		**2,146,853**	**4,014,436**
Provisions	17	11,098	19,468
Borrowings and financial debt	15	216,504	474,173
Trade and other payables	18	202,210	205,265
Other liabilities	18	135,462	193,415
Corporate income tax liabilities	18	3,706	11,942
Current liabilities		**568,980**	**904,262**
Total shareholders' equity and liabilities		**3,346,301**	**5,616,732**

(a) The Group has applied IFRS 16 for the first time on January 1, 2019, using the modified retrospective approach. According to this approach, the comparative information has not been restated.

Consolidated income statement and statement of comprehensive income

€'000	Notes	31.12.18 (a)	31.12.19
Revenue	19	**1,482,583**	**1,871,433**
Other income		56,712	59,472
Operating income		**1,539,295**	**1,930,905**
Purchases consumed		(162,769)	(193,407)
Personnel expenses	20	(381,298)	(467,475)
Other current expenses		(475,283)	(556,668)
Taxes and duties		(19,261)	(19,591)
Depreciation and amortization – Property, plant and equipment		(275,710)	(428,251)
Depreciation and amortization – Intangibles assets		(12,051)	(26,648)
Profit from ordinary operations		**212,923**	**238,864**
Other operating incomes	21	5,530	947
Other operating expenses	21	(5,302)	(29,020)
Operating profit		**213,152**	**210,791**
Interest and financing-related expenses		(97,177)	(125,833)
Other financial expenses		(7,712)	(31,691)
Financial income		2,755	3,708
Financial income (expense)	22	**(102,135)**	**(153,817)**
Profit before tax		**111,017**	**56,974**
Share of result in associates and joint ventures	7	-	899
Income tax expense	23	(20,571)	(9,697)
Net profit		**90,446**	**48,176**
Non-controlling interests		(5,212)	(1,213)
Net profit, Group share		**95,658**	**49,389**

	31.12.18	31.12.19
Net profit	**90,446**	**48,176**
Exchange gains or losses (b)	1,149	26,018
Value adjustments linked to hedging derivatives	601	-
Fair value of derivative instruments	-	-
Tax	-	-
Items recycled to profit or loss	***1,750***	***26,018***
Remeasurement of liabilities for defined benefit retirement plans	2,178	498
Tax	(581)	(122)
Items not recycled to profit or loss	***1,597***	***376***
Other comprehensive income	**3,348**	**26,394**
Comprehensive income	**93,793**	**74,570**
EBITDA (c)	**500,685**	**693,764**

(a) The Group has applied IFRS 16 for the first time on January 1, 2019, using the modified retrospective approach. According to this approach, the comparative information has not been restated.
(b) Of which associates and joint ventures for €182k.

(c) EBITDA is not a measure of financial performance under IFRS. EBITDA is presented as additional information and is defined by the Group as profit from ordinary operations plus depreciation and amortization of tangible and intangible assets.

Consolidated cash-flow statement

€'000	Notes	31.12.18 (a)	31.12.19
Net profit		**90,446**	**48,176**
Share of result in associates and joint ventures	7	-	(899)
Income tax expense (including deferred tax)	23	20,571	9,697
Net finance costs	22	102,135	153,817
Other operating income and expense		(2,416)	5,139
Depreciation and provisions, net of reversals		289,585	466,145
Capital gains on asset disposals		(44,079)	(48,455)
Cash flow from operations (before cost of financing and tax)		**456,241**	**633,620**
Income tax paid		(8,927)	(4,718)
Financial interest paid		(95,476)	(140,546)
Financial interest received		1,299	1,194
Change in working capital requirements		8,734	(35,047)
Cash flow from operating activities	**A**	**361,872**	**454,503**
Impact of changes in scope		(17,128)	(1,052,460)
Acquisitions of fixed assets		(412,497)	(466,086)
Disposals of fixed assets		62,752	73,234
Cash flow from investing activities	**B**	**(366,873)**	**(1,445,313)**
Dividends paid		(6,895)	(6,895)
Proceeds from loans and borrowings	15	492,270	2,244,609
Repayment of loans and borrowings	15	(456,843)	(1,160,437)
Cash flow from financing activities	**C**	**28,532**	**1,077,278**
Change in cash and cash equivalents	**A+B+C**	**23,531**	**86,468**
Cash and cash equivalents at beginning of period		116,583	141,418
Cash and cash equivalents at end of period		141,418	229,035
Impact of exchange rate fluctuations		(1,303)	(1,150)
Change in cash and cash equivalents		**23,531**	**86,468**
Other marketable securities		352	102,269
Cash at bank and on hand		143,437	127,818
Current bank borrowings		(2,371)	(1,052)
Cash and cash equivalents		**141,418**	**229,035**

(a) The Group has applied IFRS 16 for the first time on January 1, 2019, using the modified retrospective approach. According to this approach, the comparative information has not been restated.

Consolidated statement of changes in equity

€'000	Share capital	Additional paid-in capital	Other consolidated reserves	Reserves to be recycled (OCI)	Shareholders' equity (Group share)	Non-controlling interests	Total equity
At 31 December 2017	**229,818**	**1,882**	**321,041**	**(24,444)**	**528,297**	**15,391**	**543,688**
Net profit for the period			95,658		95,658	(5,212)	90,446
Employee benefits				1,607	1,607	(9)	1,597
Net Investment hedge				601	601		601
Exchange gains or losses				1,438	1,438	(289)	1,149
Comprehensive income			**95,658**	**3,645**	**99,304**	**(5,510)**	**93,793**
IFRS 9			(1,026)		(1,026)		(1,026)
Capital movements					-		-
Dividends			(6,895)		(6,895)		(6,895)
Changes in scope					-	542	542
Other movements			167		167	199	366
At 31 December 2018	**229,818**	**1,882**	**408,945**	**(20,798)**	**619,847**	**10,621**	**630,468**
Net profit for the period			49,389		49,389	(1,213)	48,176
Employee benefits				416	416	(40)	376
Exchange gains or losses				25,880	25,880	138	26,018
Comprehensive income			**49,389**	**26,296**	**75,685**	**(1,115)**	**74,570**
Capital movements					-		-
Dividends			(6,895)		(6,895)		(6,895)
Changes in scope					-		-
Other movements			(110)		(110)	1	(109)
At 31 December 2019	**229,818**	**1,882**	**451,330**	**5,498**	**688,528**	**9,507**	**698,035**

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Note 1 – Overview

1.1. Presentation of the Group

Loxam is a French simplified joint stock company ("Société par Actions Simplifiée") with a capital of €229,818,150 as of December 31, 2019, governed by all of the legislation and regulations for commercial companies in France, and particularly the French commercial code ("Code de commerce"). Its registered office is located at 256 rue Nicolas Coatanlem, 56850 Caudan, France.

Loxam is the European equipment rental market leader, with its business focused primarily on construction and civil engineering professionals.
The Group operates mainly in Europe but also in North Africa, the United Arab Emirates, Bahrain, Saudi Arabia, Oman, Qatar and Kuwait as well as in Brazil and Colombia.
Following the acquisition of Ramirent in July 2019, Loxam has become the 3rd largest player in the world with a presence in 30 countries (based on total pro forma revenue), now including Finland, Sweden, Poland, Czech Republic, Slovakia and also Estonia, Lithuania and Latvia.

1.2. Basis of preparation

The consolidated financial statements for the period from January 1 to December 31, 2019 include Loxam SAS and its subsidiaries (together "the Group" or "Loxam Group"), including the Group's share in equity affiliates and joint ventures.

The Ramirent Group (Ramirent Plc and its subsidiaries) has been consolidated in Loxam's consolidated accounts from August 1st, 2019.

1.3. Functional and reporting currency

The consolidated financial statements are prepared and presented in euros, which is the parent company's functional currency. All the financial data are presented in thousands of euros, rounded to the nearest thousand euros. The total amounts indicated in the tables may differ from the sum of the various items due to rounding.

Note 2 – Highlights

Highlights of the period ended December 31, 2019

On January 14, 2019, Nationwide Platforms acquired UK Platforms Limited ("UK Platforms") from HSS Hire Group Plc. UK Platforms is specialized in renting power access equipment from its branch network throughout the United Kingdom.

On April 11, 2019, Loxam issued €500 million of new bonds, split into two tranches:

- A senior secured bond of €300 million due in 2026, paying a coupon of 2.875%
- A senior subordinated bond of €200 million due in 2027, paying a coupon of 4.50%

The proceeds of the issuance were used to redeem the Senior Secured Notes due 2021 and Senior Subordinated Notes due 2022, for a total amount of €464.3 million. This early repayment generated non-recurring financial expenses of € 11.8 million.

On June 9, 2019, Loxam has entered into a €1,500 million bridge loan for the acquisition of Ramirent Plc. The bridge loan has not been drawn.

On June 19, 2019, Loxam launched a voluntary recommended public cash tender offer to purchase all of the issued and outstanding shares of Ramirent Plc., a leading equipment rental company for the construction, industry and services sectors with operations in the Nordic countries, Central Europe and Eastern Europe and a turnover of €712 million in 2018.

On July 18, 2019, at the expiration of the acceptance period on July 18, 2019, Loxam's offer was declared successful as the shares tendered in the Tender Offer represented approximately 96.2% of all the issued and outstanding shares and votes in Ramirent, satisfying the minimum acceptance condition of the Tender Offer. At the end of the subsequent offer period started on July 24, 2019, the total shares tendered were representing approximately 98.2 % of all the issued and outstanding shares in Ramirent.

On July 22, 2019, Loxam successfully issued new bonds for a total of €1,400 million to finance the acquisition of Ramirent, to refinance certain of Ramirent's gross debt and the debt related to the acquisition of Stavdal AB, and to pay the fees and expenses related to the offering and the acquisition. The new bonds were split into three tranches:

- A senior secured bond of €700 million due in 2025, paying a coupon of 3.25%
- A senior secured bond of €450 million due in 2026, paying a coupon of 3.75%
- A subordinated secured bond of €250 million due in 2027, paying a coupon of 5.75%.

On October 31, 2019, activities of UK Platforms were merged with Nationwide Platforms Ltd.

On December 13, 2019, Loxam A / S (Denmark) sold 100% of the shares held in Loxam AS (Norway) to Stavdal AS (Norway).

On December 20, 2019, the transfer of ownership and squeeze out of the outstanding shares of Ramirent became effective. Loxam owns 100% of the shares of Ramirent.

Post-closing events

As of the date of closing of the consolidated financial statements, the localized existence of the "Covid 19" virus had no impact on the Loxam group's results and financial position. The subsequent international spread of the virus and its identification as a new "Covid-2019" coronavirus do not provide additional information to assess the situation as of December 31, 2019.
The Group has decided to adapt its organization to continue to serve certain customers and to protect its employees. At this stage and given the uncertainties about the evolution of the situation, the Group is not in a position to determine the impact on the 2020 outlook.

Overview of keys developments in 2018:

On February 8, 2018, Loxam SAS acquired 100% interest of Lavendon Access Services SAS ("Lavendon France") from Lavendon Access Services LTD. Lavendon France subsequently merged into Loxam SAS on April 1, 2018.

On February 7, Hune Rental SLU (Spain) acquired 100% of Loxam Alquiler (Spain) shares, from Loxam SAS. Loxam Alquiler merged into Hune Rental SLU on April 1, 2018.

On June 1, our Dutch subsidiaries, Loxam BV, Workx Materieelverhuur BV and Workx Holding merged in order to improve the efficiency of our business.

On June 8, Loxam SAS acquired 100% of Negoce de Vehicules Automoteurs ("NVA"), a French based company with primary business in logistic for events activities. NVA merged into Loxam SAS on September 1, 2018.

On June 21, Loxam Access SRL acquired 100% of the Italian powered access rental company No.Ve. S.r.l. ("Nove") from Haulotte Group S.A. Nove merged into Loxam Access SRL on December 21, 2018.

On July 19, Loxam entered into a conditional agreement with HSS Hire Group Plc with respect to the acquisition of UK Platforms Limited (UKP) by Loxam's wholly-owned subsidiary Nationwide Platforms Limited ("Nationwide"). UKP is specialized in renting powered access equipment from its branch network throughout the United Kingdom. The acquisition was completed on January 14, 2019 after approval by the UK Competition and Mergers Authority.

On July 23, Loxam redeemed €60 million out of the €299.3 million outstanding principal amount of the 2021 Senior Secured Notes, and €25 million out of the €250.0 million outstanding principal amount of the 2022 Senior Subordinated Notes. This partial redemption was funded out of available cash.

On December 10, 2018, our Dutch subsidiary Workx Sloop-en Graafdiensten BV was liquidated.

On December 30, 2018, Norleu Eurl merged into Loxam SAS.

Two companies were created within the Lavendon group during the fourth quarter of 2018: Rapid Access Middle East LLC (a company established in the Abu Dhabi free zone in the United Arab Emirates and wholly owned by Lavendon Access Services International) and Rapid Access Trading Bahrain W.L.L. (located in Bahrain and wholly owned by Rapid Access Middle East LLC).

Note 3 – Accounting principles

3.1. Declaration of compliance

The Loxam Group has prepared its consolidated financial statements at December 31, 2019, in accordance with IFRS (International Financial Reporting Standards) as adopted by the European Union at December 31, 2019, with mandatory compliance at this date, with comparative information presented for 2018, established with the same reporting standards.

These standards include International Financial Reporting Standards (IFRS) and International Accounting Standards (IAS), as well as the interpretations of the Standing Interpretations Committee (SIC) and the International Financial Reporting Standards Interpretations Committee (IFRS IC).

The consolidated financial statements are presented in thousands of euros (unless otherwise specified) and include the financial statements of Loxam SAS and its subsidiaries (« the Group ») for the financial year from January 1, 2019 to December 31, 2019. The list of consolidated companies is presented in Note 4.

The Group financial statements were approved by the Chairman on March 12, 2020.

3.2. Application and interpretation of standards and regulations

New IFRS standards, IFRIC interpretations or amendments to be applied from January 1, 2019:

Standards, amendments or interpretations	Dates adopted by the European Union	Application dates in Europe: financial year starting on or after
IFRS 16 - Leases contracts	31.10.2017	01.01.2019
IFRIC Interpretation 23 Uncertainty over Income Tax Treatments	24.10.2018	01.01.2019
Amendments to IFRS 9 - Prepayment Features with Negative Compensation	22.03.2018	01.01.2019
Amendments to IAS 19 – Plan amendment, curtailment or settlement	13.03.2019	01.01.2019
Amendments to IAS 28 - Long-term interests in associates and joint ventures	08.02.2019	01.01.2019

- **IFRS 16 - Leases**: this standard is applied by the Group since January 1, 2019 and replaces the IAS 17 and the associated IFRIC and SIC interpretations.

It removes the distinction previously made between simple leases and financial leases. According to IFRS 16, a lessee employs a right-of-use asset and a lease liability representing the rental obligation.

At the transition date, the Group chose to apply the modified method which consists in keeping the analyses performed for the identification of leases and to apply IFRS 16 only to contracts previously classified as leases. Contracts that were not identified as leases in accordance with IAS 17 and IFRIC 4 have not been re-analysed. As a result, the definition of a lease as defined by IFRS 16 only applies to contracts entered into or modified as from January 1st, 2019.

Leases previously classified as financial leases under IAS 17 have not been analysed at the transition date and have not been restated. The corresponding leased assets are accounted for as “Tangible assets” in accordance with prior year classification.

The Group has identified its lease contracts previously classified as operating leases within the scope of IFRS 16 and applied the following exemptions and transition options provided by the standard:

- Exemption for contracts with a duration of less than one year (at the date of transition, exemption of old lease contracts with a remaining term of less than 12 months);
- Exemption for lease contracts of low-value assets (USD 5,000);
- Use of the modified retrospective method at the transition date, recording the transition impacts in the opening balance sheet without restating previous comparative data;
- The rental obligation and the right-of-use are initially measured at the discounted value of rental payments over the remaining lease term at transition date, using the incremental borrowing rate for Loxam and its subsidiaries (taking into account the borrowing conditions and the credit risk specific to each entity and reflecting the duration of lease contracts);
- The right-of-use assets are amortized on a straight-line basis over the lease term, which corresponds to the non-cancellable period of each contract (taking into consideration the position of the ANC-Autorité des Normes Comptables from February 2018).

The lease contracts restated in accordance with IFRS 16 mainly relate to real estate and, to a lesser extent, heavy and light transport vehicles.

The implementation of the standard as of January 1, 2019 has led to the cancellation of lease expenses (in "Other current expenses") for lease contracts listed in the scope of the new standard, the amortization of the right-of-use and the recognition of financial expenses (interest cost of the lease liability).

As part of the acquisition of Ramirent Group, the right-of-use of the leased assets and the lease liability were valued at the acquisition date as new leases. Similarly, the discount rates used by Ramirent as part of their application of IFRS 16 since January 1, 2019, have been replaced by the incremental borrowing rate at the date of acquisition by Loxam under the new borrowing terms of Ramirent and its subsidiaries.

The Group presents the right-of-use within “Property, plant and equipment” on the same line as the underlying assets of same nature of which it has full ownership (Note 6).
The Group presents the lease liabilities within "Borrowings and financial debts" in the statement of financial position.

Following the publication in December 2019 of the final decision of the IFRS IC related to the determination of certain lease contracts duration as well as the amortization period for fixtures and installations inseparable from the leased asset, the Group has not modified the methods and assumptions used and will proceed with the analysis of potential impacts in 2020.

• **IFRIC 23 - Uncertainty over income tax treatments:** on 7 June 2017, the International Accounting Standards Board issued IFRIC 23 Interpretation, adopted by the European Union on October 23, 2018, and applicable beginning January 1, 2019. The Interpretation clarifies application of recognition and measurement requirements in IAS 12 Income Taxes when there is uncertainty over income tax treatments. The Interpretation specifically addresses the following:

- <u>Considering each uncertain tax treatments separately or together:</u>

The interpretation recommends that an entity should define whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments in order to determine taxable profit (tax loss), tax bases, tax loss carry-forwards, unused tax credits and tax rates. The approach that better predicts the resolution of the uncertainty should be followed

- <u>Examination by taxation authorities:</u>

In assessing whether and how an uncertain tax treatment affects the determination of taxable profit (tax loss), tax bases, tax loss carry-forwards, unused tax credits and tax rates, an entity should assume that a taxation authority will examine amounts it has a right to examine and have full knowledge of all related information when making those examinations.

- <u>Determining taxable profit (tax loss), tax bases, tax loss carry-forwards, unused tax credits and tax rates:</u>

The interpretation recommends that an entity must consider the probability that a taxation authority will accept an uncertain tax treatment.
If the entity concludes it is probable that the taxation authority will accept an uncertain tax treatment, the entity must determine taxable profit (tax loss), tax bases, tax loss carry-forwards, unused tax credits and tax rates consistently with the tax treatment used or planned to be used in the entity's income tax filings.
If the entity concludes that the tax administration is unlikely to accept an uncertain tax treatment, the entity must reflect the effect of uncertainty in determining taxable profit (tax loss), tax bases, tax loss carry-forwards, unused tax credits and tax rates, following the method the entity expects to better predict the resolution of the uncertainty: either the most likely amount method or the expected value method.

- <u>Considering changes in facts and circumstances:</u>

An entity should reassess any judgements and estimates made if the facts and circumstances change could modify the entity's conclusions about the acceptance of a tax treatment or its estimates about the effects of uncertainty, or both.

The application of this interpretation as of January 1, 2019 has no impact on the Group's consolidated financial statements.

The following standards, amendments or interpretations published by the IASB are not yet applicable or not applied in advance by the group:

Standards, amendments or interpretations	Adoption in Europe	Application dates: financial year starting on or after
Amendments to IAS 1 - IAS 8 – Definition of Material	29.11.2019	01.01.2020
Amendments to IFRS 9, IAS 39 & IFRS 7 - Interest rate benchmark reform	15.01.2020	01.01.2020
Amendments to IFRS 3 – Definition of a Business	Not adopted	01.01.2020
The conceptual framework for financial reporting	Not adopted	01.01.2021
IFRS 17 – Insurance Contracts	Not adopted	01.01.2021
Amendments to IFRS 10 & IAS 28 – Sale of contribution of assets between an investor and its associate or joint venture	Postponed	Postponed

3.3. Presentation of the financial statements

The Group's consolidated financial statements are prepared on a historical cost basis, with the exception of certain categories of assets and liabilities, measured at fair value, in accordance with IFRS. The categories concerned are mentioned in the following notes.

The financial year-end for all the Group's subsidiaries and entities is December 31.

3.4. Consolidation principle

A subsidiary is an entity controlled by Loxam SAS. An entity's control is based on three criteria:

- Power over the entity, i.e. the ability to direct the activities with the greatest impacts on its profitability;
- Exposure to the entity's variable returns, which may be positive, based on dividends or any other economic benefits, or negative;
- Link between power and these returns, i.e. the ability to exercise power over the entity to influence the returns achieved.

The financial statements of subsidiaries are consolidated from the date on which the Group acquires effective control until such time as control is transferred outside the Group.
The consolidated financial statements include all of the subsidiary's assets, liabilities, income and expenses. Equity and income are shared between the owners of the Group and non-controlling interests.
Transactions between consolidated companies and intragroup profits are eliminated when preparing the consolidated financial statements.

An associate is an entity over which the Group has significant influence, without having control or joint control over financial and operational policies. The share in the associate's assets and liabilities, including goodwill, is presented on a separate line on the balance sheet.
A joint venture or joint activity is the result of a contractual arrangement whereby two or more parties agree to carry out an economic activity under joint control. For joint activities, which give each of the co-participants direct rights to assets and obligations for liabilities, assets and liabilities,

expenses and income are recognized based on the interests in the joint activity. Joint ventures that confer interests in net assets are accounted for using the equity method.

3.5. Comparability of the financial statements

Considering the acquisitions of companies completed in 2019, Loxam's consolidated financial statements for the period ended December 31, 2019 include:

- 12 months of activity of UK Platforms, acquired on January 14, 2019
- 5 months of activity of Ramirent, acquired on July 24, 2019 and consolidated as of August 1, 2019.

The impact of the acquisition of Ramirent group in 2019 is presented in Note 28 and enables a comparison of 2018 and 2019 financial statements for the historical Loxam scope.

In addition, in order to provide a comparable basis for future years, a "pro forma" analysis of the main items of income as of December 31, 2019 is presented in Note 29, taking into account 12 months of activity of the Ramirent group. The 2018 comparative period has not been restated.

The purchase price allocation of Ramirent group reflected in the financial statements at the end of 2019 is preliminary. The valuation of intangible assets and goodwill is therefore not final.
Depreciation rules at Ramirent group are still under analysis and were not modified at year end 2019.

3.6. Accounting judgments and estimates

To prepare the consolidated financial statements in accordance with IFRS, the Group makes a certain number of estimates and assumptions that are based on historical information and other factors, including expectations for future events that are considered reasonable in view of the circumstances. The Group's estimates and judgments with the most significant impacts on the financial statements concern the following elements:

- Impairment tests for intangible assets with an indefinite useful life (primarily goodwill, Note 5);
- Purchase price allocation related to the acquisition of UK Platforms and Ramirent group (Note 5);
- Measurement of obligations relating to defined benefit plans (Note 16);
- Measurement of financial instruments at fair value (Note 14);
- Qualification of lease contracts (Note 3.13).

These estimates are based on the information available when they were prepared. They are continuously assessed based on past experience and various other factors that are considered to be reasonable, which form the basis for assessments of the book value of assets and liabilities. Estimates may be revised if the circumstances on which they were based change or new information becomes available. Actual results may differ significantly from these estimates depending on different conditions or assumptions.

3.7. Business combinations

a) Business combinations

In accordance with IFRS 3, business combinations are accounted for on the acquisition date, which is the date when control is transferred to the Group.

Goodwill represents the fair value of the consideration transferred (including the fair value of any interest previously held in the company acquired), plus the amount recognised for any non-controlling interest in the company acquired, less the net amount recognised (generally at fair value) for the identifiable assets and liabilities assumed.

When the difference is negative, this is badwill, representing a profit resulting from acquisitions under preferential conditions. Badwill is recognised immediately in profit or loss.

The costs relating to the acquisition are expensed as incurred.

Corrections or adjustments may be made to the fair value of the assets and liabilities assumed and the consideration transferred within 12 months of the acquisition. As a result, the goodwill may be revised.

Contingent consideration relating to business combinations is measured at fair value on the acquisition date and subsequently measured at fair value at each future reporting date. After a one-year period from the acquisition date, any change in the fair value of the contingent consideration classified as a financial liability will be recognised in profit or loss. During this one-year period, any changes to this fair value explicitly related to events occurring after the acquisition date will also be recognised in profit or loss. Other changes will be recognised as adjustments to goodwill.

Goodwill is not amortized. In accordance with IAS 36 Impairment of Assets, it is subject to impairment tests at least once a year and more frequently if there are any indications of impairment.

b) Commitment to buy out non-controlling interests (minority interests), entered into at the time of business combinations, if minorities do not retain current access to profits.

The anticipated acquisition method is applied: the deferred payment for the buyout commitment is recognised as a liability for the present value of the option’s exercise price. Goodwill is calculated taking into account the total percentage including the commitment to buy out the non-controlling interests.

c) Commitment to buy out non-controlling interests (minority interests), entered into at the time of business combinations, if minorities retain current access to profits.

The deferred payment for the buyout commitment is recognised as a liability for the present value of the option’s exercise price. Subsequent changes in the value of the commitment are recognised in equity attributable to owners of the parent.

d) Acquisition of non-controlling interests (minority interests), agreed on after business combinations:

For an additional acquisition of shares in an entity that is already controlled, the difference between the acquisition price of the shares and the additional consolidated equity interest acquired is recognised in equity attributable to owners of the parent, while keeping the consolidated value of the subsidiary’s identifiable assets and liabilities, including goodwill, unchanged.

3.8. Foreign currency translation methods

a) Transactions in foreign currencies

Transactions in foreign currencies are converted into euros based on the exchange rate at the date of the transaction.
Monetary assets and liabilities denominated in foreign currencies are converted based on the exchange rate at the reporting date.
Profit and loss data denominated in foreign currencies are converted using the average rate for the period.
The resulting exchange gains or losses are recognised in profit or loss for the year under financial income and expenses.

b) Financial statements in foreign currencies

The assets and liabilities of subsidiaries presented in foreign currencies are converted into euros based on the exchange rate at the reporting date. Income and expenses for these companies are converted into euros at the average exchange rate for the year. The resulting exchange gains or losses are recognised directly in other comprehensive income.

Exchange rates applied at December 31, 2019 (euro vs. currency):

1 EUR =		Closing period rate	Average rate	Opening period rate
AED	Arabic Emirates dirham	4,1128	4,1093	4,2116
BHD	Bahraini dinar	0,4222	0,4197	0,4323
BRL	Brazilian real	4,5111	4,4111	4,4465
CHF	Swiss franc	1,0874	1,1128	1,1255
COP	Colombian peso	3 683,83	3 651,8755	3 726,2700
CZK	Czech koruna	25,4309	25,6262	25,7240
DKK	Danish krone	7,4693	7,4664	7,4663
GBP	Pound sterling	0,8533	0,8772	0,8990
MAD	Moroccan dirham	10,6140	10,5773	10,9579
NOK	Norwegian krone	9,8582	9,8478	9,9034
OMR	Omani rial	0,4311	0,4298	0,4415
PLN	Polish zloty	4,2575	4,3007	4,3014
QAR	Qatari riyal	4,0934	3,9489	4,1917
SAR	Saudi riyal	4,2012	4,1957	4,3021
SEK	Swedish krona	10,4449	10,6450	10,2548

3.9. Breakdown of current / non-current assets and liabilities

Under IAS 1, assets and liabilities are classified as “current” or “non-current”.
Loxam applies the following rules for classifying the main balance sheet aggregates:

- Fixed assets are classified as “non-current”,
- Assets and liabilities included in working capital requirements in connection with the business’ normal operating cycle are classified as “current”,
- All deferred tax assets and liabilities are presented as “non-current”,

- All provisions are classified as “current”,
- Financial liabilities are classified as “current” or “non-current”, depending on whether they are due within or later than one year after the reporting date.

3.10. Fair value of financial assets and liabilities

Financial assets and liabilities - including derivatives - measured at fair value are categorized into three levels (1 to 3), each corresponding to a level of fair value observable inputs based on data used in the fair value measurement technique:

- Level 1: fair value determined based on quoted prices in active markets for identical assets or liabilities;
- Level 2: fair value estimated based on observable data for the asset or liability, either directly (i.e. prices) or indirectly (i.e. pricing-derived data);
- Level 3: fair value estimated using valuation techniques that include data relating to the asset or liability that are not based on observable market data.

Further information on the classification of financial instruments for each category is presented in Note 3.18 (Cash and cash equivalents), and Note 3.19 (Derivative financial instruments).

3.11. Intangible assets and goodwill

a) Goodwill

The goodwill resulting from acquisitions of subsidiaries is included in intangible assets. It represents an asset with an indefinite useful life. For the valuation of goodwill, see Note 3.7.

b) Trademarks and customer relationships

The application of IFRS 3R may lead to the allocation of an acquisition price to identified intangible assets such as trademarks and client relationships. These intangible assets could be depreciated over 5 to 12 years. Trademarks are depreciated over 5 to 12 years and customer relationships over 8 to 15 years.

c) Other intangible assets

Other intangible assets have a finite useful life and are recorded at their acquisition cost, after deducting accumulated amortization and impairment losses.
The amortization of intangible assets is recorded as an expense on a straight-line basis over the estimated useful life from the moment assets are brought into service.
These other intangible assets are primarily software products, amortized over one to three years.

3.12. Property, plant and equipment

Property, plant and equipment are recognised at their acquisition cost, after deducting accumulated depreciation and impairment losses. They are not revalued.
The cost includes the expenditure directly attributable to the asset’s acquisition.
Depreciation charges for property, plant and equipment are calculated on a straight-line basis over the useful lives indicated below. Land is not depreciated.

- Buildings	10 to 50 years
- Building fixtures and fittings	5 to 20 years

- Tools 3 to 5 years
- Fleet equipment 3 to 15 years
- Other property, plant and equipment 2 to 5 years

Property, plant and equipment are depreciated from the moment they are brought into service.
A residual value is applied to some categories of equipment, in order to take into account the resale value of this equipment at the end of its life.

3.13. Leases

As stated in Note 3.2 Changes in Accounting Policies, as of January 1, 2019, leases contracts are governed by IFRS 16 which modifies the accounting treatment of leases. The standard removes the distinction previously made between simple leases and finance leases for the lessee; the lessee recognizes a right-of-use asset and a financial debt representing the rental obligation.
Leases previously classified as financial leases under IAS 17 have not been restated at the transition date. IAS 17 was applied for the comparative financial statements at December 31, 2018. Therefore, finance-leased fixed assets transferring substantially all the risks and rewards of ownership of the leased asset to the Group, were recorded as assets on the balance sheet at the lower of the fair value of the equipment leased and the present value of minimum future lease payments. The corresponding liability was recorded as financial liabilities.

3.14. Impairment of intangible assets and property, plant and equipment

Assets are reviewed at each reporting date to determine whether there are any indications of impairment. If such indications are identified, the asset's recoverable amount is estimated.

Goodwill is tested annually and whenever indications of impairments arise.
To be tested, the assets that do not generate independent cash inflows are grouped in cash generating units (CGU), which correspond to the countries in which the Group operates. These countries may be grouped together by geographic area (aggregation of CGU's), particularly for financial reporting. For impairment testing, the CGUs to which the goodwill is allocated are grouped together to ensure that the level at which impairment tests are carried out reflects the lowest level at which goodwill is monitored for internal management requirements. Goodwill acquired in connection with a business combination is allocated to the CGU that is expected to benefit from the synergies of the business combination.
The CGU's recoverable amount is the higher of its fair value less costs of disposal and the value in use.

The value in use retained by the Group corresponds to the value of the future economic benefits expected to be earned from their use and disposal. It is assessed using the discounted cash flow (DCF) method, based on the following principles:

- The cash flows are based on the medium-term business plan (five years) drawn up by top management,
- The discount rate is determined based on the weighted average cost of capital for the business and the region concerned,
- The terminal value is calculated by discounting cash flows to infinity, based on standard cash flows and a perpetuity growth rate. The growth rate is consistent with the development

potential of the markets in which the Group operates, as well as its competitive position on these markets.

When the recoverable amount is lower than the net book value of the asset or the cash generating unit, an impairment is recognised in profit or loss.
Impairments recorded for goodwill are irreversible.

The Group is also performing impairment tests for investments in joint ventures and associates by determining their fair value using the same discounted cash flow (DCF) method and comparing it with their recoverable amount.

Following the implementation of these tests for the year ended 2019, the Group recognised a loss of €10 million allocated to the value of the goodwill of Loxam A/S (Denmark) and presented in other operating expenses. Operational assumptions are based on business projections and EBITDA targets. These have been revised in the light of past performance and the outlook for Denmark, which explains the impairment loss recorded as such.

3.15. Financial assets

Financial assets include:

- Securities of non-consolidated companies,
- Security deposits paid,
- Cash management assets,
- Cash and cash equivalents.

Financial assets are measured and recognised in accordance with IAS 32 and IFRS 9.
Financial assets are initially recognised at their fair value.
Financial assets maturing in under one year are classified as current financial assets.

3.16. Inventories

Inventories primarily include trade products, parts and consumables. Inventories are measured using the weighted average cost method.
An impairment is recognised when the realisable value, less costs of disposal, is lower than the book value.

3.17. Trade receivables and other current assets

Trade receivables and other current assets are generally measured at their nominal value, when this is considered to be close to their fair value. Provisions for impairment are recorded for receivables when their recoverable value amount is lower than their book value.
The Group has also adopted an expected credit loss impairment model from January 1, 2018 following the simplified method allowed by the IFRS 9 standard.

3.18. Cash management assets and Cash and cash equivalents

In accordance with IAS 7 Statement of Cash Flows, the cash recorded in the consolidated cash flow statement includes cash at bank and on hand, bank credit balances and cash equivalents. Cash equivalents correspond to liquid short-term deposits that are easily convertible into a determinable amount of liquid assets and subject to an insignificant risk of changes in value.

Term deposits for over three months, which include options for early withdrawals at any time without notice, particularly to cover short-term cash commitments, are consistent with the definition of cash and cash equivalents from IAS 7 in the following cases:

- The capital is guaranteed even in the event of early withdrawal,
- No penalties are due in the form of payments to the financial institution managing the investment, or non-payment of part of the return on the investment. When the return is calculated based on the rate for the previous period or a reduced rate, without any significant change in the value of the amount of the return received, this is not considered to be a penalty and does not call into question the investment's classification as cash and cash equivalents.

Cash management financial assets comprise money-market securities, bonds and shares in UCITS invested over a short-term management horizon that do not meet the criteria for being classified as cash equivalents under IAS 7. They are measured and recognised at fair value. Changes in fair value are recognised in profit or loss.
Purchases and sales of cash management financial assets are recognised on the transaction date.
Marketable securities classified as cash equivalents on the reporting date are recognised at fair value through profit or loss, with their fair value based on their net asset value.

3.19. Derivative financial instruments – relating to the interest rate risk

The Group holds interest rate swaps to reduce its net interest rate risk exposure.
These derivative financial instruments are initially recognised at their fair value. This fair value corresponds to Category 2 consistent with the definitions given in Note 3.10. Since the hedging relationship is not documented, changes in fair value are recognised in profit or loss.

3.20. Derivative financial instruments – relating to the foreign exchange risk

On an ad hoc basis, and consistent with its market forecasts, the Loxam Group uses financial instruments to reduce its net foreign exchange risk exposure, mainly on Pound Sterling, Norwegian krone and Swedish krona since the acquisition of Ramirent.
The Group primarily uses forward currency sales options. As these instruments concern intra-group receivables, which are eliminated in the consolidated financial statements, the Group has not opted to apply hedge accounting. These foreign exchange derivative instruments are recognised at fair value on the balance sheet. Fair value adjustments are recognised in profit or loss.

3.21. Employee benefits

Under IAS 19 (revised), all current and future benefits or compensation acquired by employees in return for services rendered during the current period and prior periods must be recognised as an expense over the period when rights are vested.
In accordance with the laws and practices in each country where it operates, the Group is part of various plans for retirement and post-employment benefits.

a) Defined contribution plans

For defined contribution plans, the Group has no obligations other than the payment of contributions. The contributions paid in to plans are recognised as expenses for the period. Where applicable, provisions are recorded for contributions not made during the period.

b) Defined benefits plans

Retirement and related benefits under defined benefit plans are subject to provisions based on an actuarial calculation carried out at least once a year in accordance with IAS 19 (revised).
To assess retirement benefits, the projected unit credit method is applied: each period of service gives rise to an additional unit of benefit entitlements, and each unit is valued separately to determine the obligation in relation to employees.
The calculations consider the specific features of the various plans, as well as the assumptions for retirement dates, career development and wage increases, and the probability of employees still being employed by the Group when they reach retirement age (informed by staff turnover, mortality tables, etc.). The present value of the obligation is determined based on the interest rates for long-term bonds from top-tier issuers.
An employee benefit liability is recorded for the obligation net of any plan assets measured at fair value.
The net expenses for retirement and related benefits are recognised in operating profit for the period in relation to the cost of services provided during the period. The net financial cost is recognised in financial income and expenses.
Under IAS 19R, the actuarial gains or losses generated by changes in assumptions on the net defined benefit liability or differences between interest income and the actual returns on plan financial assets are recognised immediately in other comprehensive income and cannot be recycled to profit or loss.

c) Other long-term benefits

Certain other long-term benefits are also subject to provisions, which are determined with a similar actuarial calculation to that applied for defined benefit plans.
These benefits primarily concern jubilee awards. Remeasurements of the obligation are recognised in profit or loss.

3.22. Provisions

In accordance with IAS 37 Provisions, Contingent Liabilities and Contingent Assets, a provision is recorded when, on the reporting date, the Group has an obligation (legal or implied), it is probable that an outflow of resources representing economic benefits will be required to extinguish this obligation, and the amount of the obligation can be estimated reliably.
These provisions are estimated taking into account the most probable assumptions on the reporting date.

3.23. Borrowings and financial debt

Interest-bearing liabilities are initially measured at their fair value, less any directly attributable transaction costs. Subsequently, borrowings and financial debt are measured at their amortized cost using with the effective interest rate method.
The Loxam Group regularly issues loans on the bond market in order to finance its acquisitions. As part of its policy aimed at renewing its debt, the Group’s Finance Division weighs up the renewal of tranches reaching maturity at least two years before the redemption term.

Since 2016, the effective interest rate on bond loans has been calculated over the term of the loan less two years.

3.24. Trade payables and related

Trade and other payables are recorded at their nominal value, which corresponds to their fair value.

3.25. Tax

Income tax includes both current and deferred tax.
Current tax corresponds to the cumulative amount of corporate income tax payable on taxable income for all the Group's companies and is determined using the tax rates adopted on the reporting date.
Deferred tax is recorded, using the accrual method, generally for temporary differences on the reporting date between the taxable base for assets and liabilities and their book value on the balance sheet.
Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the assets will be realized or the liabilities settled, based on the tax rates (and tax regulations) that have been enacted or substantively enacted at the reporting date.
In the event of deductible temporary differences and tax losses, deferred tax assets are recognised for the amount of the deferred tax liabilities whose repayment will make it possible to allocate these tax losses, and beyond that if it is likely that the Group will have future taxable profits.
Deferred taxes are recorded for each entity. Deferred tax assets and liabilities are offset on the balance sheet when taxes are levied by the same tax authority and they relate to the same taxable entity.
Taxes relating to elements recorded in other comprehensive income are recognised in other comprehensive income and not in profit or loss.

As specified in Note 3.2, the Group has assessed the application of IFRIC 23 «Uncertainty over income tax treatments», which clarifies the provisions of IAS12 «Income taxes» related to recognition and measurement when there is uncertainty over income tax treatments.

3.26. Revenue

Revenue comprises income from equipment rental, services and sales related to rental activities (transportation, damage waivers, labor charges invoiced for repairs) and sales of goods.

Rental revenue
Revenue generated from equipment rental is recognised straight line over the rental period. Contract durations can vary from one day to a few months but are mostly short-term. The contract ends upon the equipment return.

Additional services to the equipment rental and other services
Additional services mainly concern transportation, damage waivers, labor charges invoiced for repairs. Other services comprise training and repair recharges (including spare parts). These services

are recognised at the end of the service completion. Revenue linked to fuel consumption is recognised upon the equipment return.

The Group is also offering a wide range of different kind of services thanks to the acquisition of Ramirent group: worksite planning, logistics, on-site support, assembly and disassembly services. The revenue is recognized in accordance with IFRS 15 «Revenue from contracts with customers», when the services are rendered to the customer over time or when the customer controls the work in progress.

Retail revenue and sale of equipment
Revenue from retail activities and sale of equipment is recognised upon delivery to the customer.

3.27. Other income

Other income primarily concerns net capital gains on disposals of assets in connection with the Group's normal operating cycle.

3.28. Other current expenses

Other current expenses primarily include external services (particularly subcontracted maintenance and transportation costs, property and real estate rentals that are not in the scope of the new IFRS 16 standard, and general administrative costs), in addition to losses on receivables net of changes in provisions.

3.29. Other operating income and expenses

Other operating income and expenses concern items that involve a very limited number of occurrences, that are unusual, abnormal and uncommon and that involve particularly significant amounts, which the company presents separately in profit or loss to make it easier to understand recurring operational performance.

3.30. Financial income and expenses

Financial income primarily concerns interest on investments.
Financial expenses primarily concern interest on bonds, bilateral loans and leasing, amortized cost related to bonds, as well as changes to the fair value of financial instruments. It also includes the interest cost related to the lease liability since the first time application IFRS 16 as of January 1, 2019.
Exchange gains and losses are recorded as financial income or expenses consistent with fluctuations in foreign currencies resulting in gains or losses.

Note 4 – Scope of consolidation

Legal entities	SIREN number (France) or country	% of control	% of interest	Consolidation method
SAS LOXAM	**450776968**	**100%**	**100%**	**Parents**
SAS LOXAM MODULE	433911948	100%	100%	Full
SAS LOXAM POWER	366500585	100%	100%	Full
LOXAM GMBH	Germany	100%	100%	Full
LOXAM S.A.	Switzerland	100%	100%	Full
LOXAM S.A.	Belgium	100%	100%	Full
LOXAM RENTAL SARL	Luxembourg	100%	100%	Full
LOXAM LTD	Ireland	100%	100%	Full
LOXAM BV	Netherlands	100%	100%	Full
ATLAS RENTAL	Morocco	100%	51%	Full
LOXAM HOLDING A/S	Denmark	100%	100%	Full
LOXAM A/S	Denmark	100%	100%	Full
LOXAM AS	Norway	100%	100%	Full
DEGRAUS	Brazil	100%	50.1%	Full
SCI AVENUE ARISTIDE BRIAND	384564472	100%	100%	Full
SCI EST POSE	340583160	100%	100%	Full
SAS LOXAM GRANDE ARMEE	572045953	100%	100%	Full
SCI TARTIFUME	328948013	100%	100%	Full
SCI THABOR	332962125	100%	100%	Full
LOXAMAM	799097944	100%	100%	Full
HUNE RENTAL S.L.	Spain	100%	100%	Full
HUNE ALUGUER LDA	Portugal	100%	100%	Full
GRUAS Y EQUIPOS HUNE	Colombia	100%	50%	Full
HUNE SICO LLC	Saudi Arabia	100%	49%	Full
LAVENDON HOLDINGS LTD	United Kingdom	100%	100%	Full
ZOOOM HOLDINGS LTD	United Kingdom	100%	100%	Full
ACCESS SOLUTIONS LTD	United Kingdom	100%	100%	Full
LAVENDON ACCESS SERVICES LTD	United Kingdom	100%	100%	Full
ZOOOM LTD	*United Kingdom*	-	-	*Liquidated*
NATIONWIDE PLATFORMS LTD	United Kingdom	100%	100%	Full
UK PLATFORMS LTD	United Kingdom	100%	100%	Full
LOGICAL COMMERCE LTD	*United Kingdom*	-	-	*Liquidated*
PANTHER PLATFORM RENTALS LTD	*United Kingdom*	-	-	*Liquidated*
AMP ACCESS LTD	*United Kingdom*	-	-	*Liquidated*
BLUESKY TOPCO LTD	United Kingdom	100%	100%	Full
BLUESKY SOLUTIONS LTD	United Kingdom	100%	100%	Full
RAPID JERSEY (N°2) LTD	*United Kingdom*	-	-	*Liquidated*
ZOOOM STERLING LTD	*Jersey*	-	-	*Liquidated*
ZOOOM EURO LTD	*Jersey*	-	-	*Liquidated*
ZOOOM DOLLAR LTD	*Jersey*	-	-	*Liquidated*
DK RENTAL NV	Belgium	100%	100%	Full
RAPID ACCESS BV	Netherland	100%	100%	Full
RAPID ACCESS LLC (a)	United Arab Emirates	100%	49%	Full
RAPID ACCESS Holdings S.P.C	Bahrain	100%	100%	Full

RAPID Saudi Arabia Ltd	Saudi Arabia	100%	100%	Full
RAPID ACCESS LLC (b)	Oman	100%	70%	Full
RAPID ACCESS MIDDLE EAST LLC	United Arab Emirates	100%	100%	Full
RAPID ACCESS TRADING WLL (c)	Bahrain	100%	49%	Full
LOXAM ACCESS SRL	Italia	100%	80%	Full
SWAN	Ireland	100%	100%	Full
LIR HOLDINGS LTD	Ireland	100%	100%	Full
RAMIRENT OYJ	Finland	100%	10%	Full
RAMIRENT INTERNAL SERVICES AB	Sweden	100%	100%	Full
SAFETY SOLUTIONS JONSEREDS AB	Sweden	100%	96,4%	Full
RAMIRENT AB	Sweden	100%	100%	Full
RAMIRENT SAFE ACCESS AB	Sweden	100%	100%	Full
RENTSAFE SVERIGE AB	Sweden	100%	100%	Full
RAMIRENT FINLAND OY	Finland	100%	100%	Full
KOY NUMMELANRINNE	Finland	100%	100%	Full
FORTRENT OY	Finland	50%	50%	Equity
FORTRENT LLC	Russia	50%	50%	Equity
FORTRENT LLC	Ukraine	50%	50%	Equity
RAMIRENT AS	Norway	100%	100%	Full
BAUTAS AS	Norway	100%	100%	Full
FEHMARNBELT SOLUTION SERVICES A/S	Denmark	50%	50%	Equity
RAMIRENT BALTIC AS	Estonia	100%	100%	Full
RAMIRENT MODULAR FACTORY AS	Estonia	100%	100%	Full
RAMIRENT AS VILNIAUS FILIALAS	Lithuania	100%	100%	Full
RAMIRENT AS RIGAS FILIALE	Latvia	100%	100%	Full
RAMIRENT SHARED SERVICES AS	Estonia	100%	100%	Full
RAMIRENT S.A.	Poland	100%	100%	Full
RAMIRENT S.R.O.	Czech Republic	100%	100%	Full
RAMIRENT SPOL S.R.O.	Slovakia	100%	100%	Full
STAVDAL AB	Sweden	100%	100%	Full
STAVDAL AS	Norway	100%	100%	Full
STAVDAL BOD AB	Sweden	100%	100%	Full
STAVDAL I JONKOPING AB	Sweden	100%	100%	Full
HYRCITY I KARLSTAD AB	Sweden	100%	100%	Full
STAVDAL I SKOVDE AB	Sweden	100%	66%	Full

(a) Rapid Access BV has a 49% interest in the shares of Rapid Access LLC (United Arab Emirates). The Company as a right to give directions with respect to the operating and financial policies of Rapid Access LLC (UAE) and thus is considered to have control. Rapid Access LLC (UAE) is treated as a wholly owned subsidiary for the group's accounting purposes.

(b) Rapid Access Holding SPC has a 70% interest in the shares of Rapid Access LLC (Oman). The Company has a right to give directions with respect to the operating and financial policies of Rapid Access LLC (Oman) and thus is considered to have control. Rapid Access LLC (Oman) is treated as a wholly owned subsidiary for the group's accounting purposes.

(c) Rapid Access Middle East LLC (UAE) has a 49% interest in the shares of Rapid Access Trading WLL (Bahrain). The Company has a right to give directions with respect to the operating and financial policies of Rapid Access Trading WLL (Bahrain) and thus is considered to have control. Rapid Access Trading WLL (Bahrain) is treated as a wholly owned subsidiary for the group's accounting purposes.

Note 5 – Intangible assets and goodwill

Changes in intangible assets and goodwill in 2019

€'000	Intangible assets	Goodwill	Total
Net book value at beginning of year	**75,009**	**1,252,277**	**1,327,286**
Changes in scope	373,152	668,171	**1,041,324**
Increase	4,574	-	**4,574**
Amortization and depreciation of the year (a)	(26,648)	(10,000)	**(36,648)**
Decrease / disposals	(10)	-	**(10)**
Reclassification	966	-	**966**
Exchange gains or losses (b)	3,474	12,639	**16,113**
Net book value at end of the period	**430,516**	**1,923,088**	**2,353,604**

(a) Corresponds to the depreciation on goodwill for Loxam A/S (Denmark), cf. Note 3.14.
(b) Exchange variations mainly concern the Lavendon group.

Changes in intangible assets and goodwill in 2018

€'000	Intangible assets	Goodwill	Total
Net book value at beginning of year	**81,255**	**1,252,634**	**1,333,889**
Changes in scope (a)	11	4,680	**4,691**
Increase	4,107	275	**4,382**
Amortization and depreciation of the year (b)	(12,051)	(608)	**(12,659)**
PPA allocation (Loxam Access SRL)	2,500	(2,000)	**500**
Decrease / disposals (c)	(1,695)	(138)	**(1,833)**
Reclassification	1,725	-	**1,725**
Exchange gains or losses	(843)	(2,566)	**(3,409)**
Net book value at end of the year	**75,009**	**1,252,277**	**1,327,286**

(a) The change in scope mainly concerns Nove (merged on December 31, 2018 into Loxam Access SRL) and NVA, which accounted for impacts of €4,071k and €450k, respectively.
(b) The impairment of goodwill relates to Hune Pronto Rental for €608k.
(c) The liquidation of Workx Sloop-en Graafdiensten BV resulted in the write-off of its goodwill for €138k.

Impact of changes in scope on goodwill:

The impact of the changes in scope concerns the following entities at December 31, 2019:

€'000	Total
UK Platforms	16,011
Ramirent (a)	652,160
FY 2019	**668,171**

(a) Preliminary valuation of goodwill as at December 31, 2019.

The goodwill related to the transactions of UK Platforms and Ramirent has been calculated as follows:

€'000	UK Platforms	Ramirent Group (a)
Intangibles assets (including trademarks & customer relationships)	7,073	366,079
Tanglible assets	46,079	712,514
Other non-current assets	-	15,867
Current assets	8,816	156,290
Non-current liabilities	(9,880)	(242,914)
Current liabilities	(18,218)	(637,484)
Nets assets at fair value	**33,871**	**370,352**
Non-controlling interest share	-	(2)
Share of net assets acquired	**33,871**	**370,350**

€'000	UK Platforms	Ramirent Group (a)
Consideration transferred	49,882	1,022,510
Net assets acquired	33,871	370,350
Goodwill	**16,011**	**652,160**

(a) Preliminary valuation and allocation of the purchase price

Trademarks and customer relationships in 2019

The purchase price for the following acquisitions was allocated to intangible assets and valued as follows at December 31, 2019:

€'000	Trademarks	Customer Relationships	Total
Lavendon Group	13,264	47,003	60,267
Hune Group	1,151	4,135	5,287
Loxam Access SRL	550	1,187	1,737
Ramirent Group (a)	95,844	250,283	346,127
Net value at end of period	**110,810**	**302,608**	**413,419**

(a) Preliminary valuation and allocation of the purchase price

Goodwill impairment tests:

Goodwill and other intangible assets with an indefinite useful life acquired through business combinations are allocated to the CGUs for impairment testing. The CGUs correspond to the countries where the Group operates. For financial reporting, the Group has combined its CGUs for each region: France and International.

Allocation of goodwill for each CGU group:

€'000	31.12.18	31.12.19
France	839,830	839,830
International	412,448	1,083,258
FY 2019	**1,252,278**	**1,923,088**

Goodwill is tested at least once a year and whenever indications of impairment arise. The last test was performed in December 2019.
In these tests, the book value of the net asset, including goodwill allocated to a CGU, is compared with its recoverable amount. The recoverable amount is determined using the "Discounted Cash Flow" method. The cash flow forecasts used for the calculations are based on amounts from the following year's budget approved by management, and forecasts for the next four years.
The cash flow forecasts covering a five-year period are based on experience and development forecasts for the markets in which the Group operates. Cash flows are calculated net of tax and discounted to their present value with a discount rate reflecting the risks associated with the cash flows. The discount rates correspond to the weighted average cost of capital (WACC) calculated for each CGU, in line with the sector's financial structure and market data.

Following the result of this test, the goodwill of Loxam A/S (Denmark) was depreciated for an amount of €10,000k.

The assumptions used are as follows:

%	31.12.18	31.12.19
Discount rate	6,36%	6,00%
Compound annual growth rate (CAGR)	2,9%	1,7%
Perpetuity growth rate	1,5%	1,5%

For the other entities of the group, no impairments were recorded since the recoverable value exceeded the book value for each CGU.

The following assumptions, considered to be key assumptions, were used to calculate the discounted value of cash flow forecasts for the CGUs:

	31.12.18		31.12.19	
%	Perpetuity growth rate	Discount rate	Perpetuity growth rate	Discount rate
France	1.5%	6.61%	1.5%	6.61%
International	1.5% to 7%	6.2% to 13.3%	1.5% to 7%	6.0% to 13.3%

Perpetuity growth rate: The perpetuity growth rate reflects a moderate level of inflation expected for the entire region in which the Group operates.

Discount rate: The cash flow forecasts are discounted with a specific rate for each CGU. The weighted average cost of capital (WACC) represents the discount rate. To determine the specific rate for each CGU, the specific risk for each country is taken into account, including assumptions for fluctuations in inflation and/or exchange rates.

Sensitivity analysis regarding the key assumptions: the amounts presented below include the value assigned to the main parameters, for each assumption taken separately, for which the book value is equal to its recoverable amount. In the sensitivity analysis, the parameters for the perpetuity growth rate and discount rate are modified independently, while holding the other assumptions constant.

Sensitivity tests: value of the parameter to reach the book value:

	31.12.18		31.12.19	
%	Perpetuity growth rate	Discount rate	Perpetuity growth rate	Discount rate
France	-2.8%	9.7%	-3,3%	9,7%
International	-7.8%	12.5%	-6,4%	11,3%

Note 6 – Property, plant and equipment

As stated in Note 3.2 Change in accounting policy and 3.13 Leases, the Group presents the “right-of-use” assets within “Property, plant and equipment” on the same line as the underlying assets of same nature of which it has full ownership.

Change in property, plant and equipment in 2019

At December 31, 2019, the gross book value of the Group’s fleet amounts to € 4,492,690k.

€’000	Rental equipment	Other	Total
Net value at beginning of year	**1,247,993**	**106,708**	**1,354,701**
Changes in scope	624,622	133,970	**758,592**
Increase	344,915	113,973	**458,888**
Impact of first time application IFRS 16 [(a)]	-	224,887	**224,887**
Amortization and depreciation of the year	(320,800)	(108,019)	**(428,819)**
Decrease / disposals	(21,281)	(2,373)	**(23,653)**
Reclassification	(2,200)	(772)	**(2,972)**
Exchange gains or losses	17,972	2,883	**20,855**
Net value at end of the period (b)	**1,891,220**	**471,257**	**2,362,477**

(a) The group has applied IFRS16 for the first time on January 1, 2019, using the modified retrospective approach. The breakdown of gross values by assets’ category is the following at January 1, 2019:

€'000	Real Estate	Heavy vehicles	Light vehicles & other	Total
Right-of-use assets	175,311	17,847	31,728	**224,887**

(b) Property acquired under finance leases and historically accounted for in accordance with IAS 17 are almost entirely included in the "Rental Equipment" column and amount to €375,123k of net book value.

At December 31, 2019, the gross value of right-of-use amounts to €426,063k as a result of the acquisition of Ramirent, and of the new head office lease in France.

Change in property, plant and equipment in 2018

At December 31, 2018, the Group's fleet had a gross book value of € 3,045,712k.

€'000	Rental equipment	Other	Total
Net value at beginning of year	**1,134,278**	**98,319**	**1,232,597**
Changes in scope	10,893	469	**11,362**
Increase	373,414	33,861	**407,274**
Amortization and depreciation of the year	(255,107)	(22,237)	**(277,345)**
Decrease / disposals	(16,718)	(2,124)	**(18,841)**
Reclassification	1,543	(1,697)	**(154)**
Exchange gains or losses	(310)	117	**(193)**
Net value at end of year	**1,247,993**	**106,708**	**1,354,701**

Note 7 – Investments in associates

Following the acquisition of the Ramirent Group, investments in associates relate to Fortrent Oy in Finland (with subsidiaries operating in Russia and Ukraine) and to Fehmarnbelt Solution Services A/S in Denmark (Note 4 Scope of consolidation).

Ramirent Group applies IFRS 11 to all joint arrangements. Under IFRS 11, investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations of each investor. Ramirent has assessed the nature of its joint arrangements and determined them to be joint ventures.

€'000	31.12.18	31.12.19
Value at beginning of the period	**-**	**-**
Changes in scope		8,734
Increase in capital of associates		-
Group share in earnings for the year		899
Dividends paid		-
Exchange gains or losses		182
Value at end of the period	**-**	**9,815**

As mentioned in Note 3.14, investment in associates and joint ventures are subject to an annual impairment test.

Note 8 – Financial assets

Change of Financial assets in 2019

This heading primarily concerns security deposits paid, mainly in connection with branch real estate leases.

€'000	Deposits and guarantees	Loans and other non-current financial assets	Total
Net value at beginning of period	**13,284**	**1,097**	**14,381**
Changes in scope (a)	-	7,133	**7,133**
Increase	507	1,878	**2,385**
Decrease	(515)	(1,983)	**(2,498)**
Reclassification	(1)	1	**-**
Exchange gains or losses	(32)	(0)	**(33)**
Net value at end of the period	**13,244**	**8,125**	**21,369**

(a) Relates to Ramirent.

Change of Financial assets in 2018

€'000	Deposits and guarantees	Loans and other non-current financial assets	Total
Net value at beginning of period	**14,535**	**1,091**	**15,626**
Changes in scope	104	-	**104**
Increase	566	5	**572**
Decrease	(1,826)	-	**(1,826)**
Reclassification	175	-	**175**
Exchange gains or losses	(269)		**(269)**
Net value at end of period	**13,284**	**1,097**	**14,381**

Note 9 – Inventories

€'000 - Net value	31.12.18	31.12.19
Trade	12,024	20,606
Parts and consumables	18,759	28,696
Total	**30,782**	**49,302**

Note 10 – Trade and other receivables

€'000	31.12.18	31.12.19
Gross value	474,295	596,657
Impairment	(85,798)	(100,076)
Total trade and other receivables - net	**388,497**	**496,581**
Not due	60%	67%
Due < 30 days	18%	18%
Due from 30 to 60 days	8%	5%
Due > 60 days	14%	10%

Note 11 – Income tax receivables and other current assets

€'000	31.12.18	31.12.19
Income tax receivables	12,256	22,570
Prepaid expenses	15,371	26,096
Other receivables	40,843	26,370
Other current assets	56,215	52,466
Total income tax receivables and other current assets	**68,470**	**75,036**

Note 12 – Cash management assets, cash and cash equivalents

€'000	31.12.18	31.12.19
Other marketable securities	352	102,269
Cash	143,437	127,818
Total	**143,789**	**230,087**

Marketable securities comprise cash investment funds (SICAV) as well as term accounts and deposits in line with the IAS 7 definition of cash and cash equivalents (cf. Note 3.18).

Note 13 – Shareholders' equity

The share capital amounts to €229,818,150, split into 22,981,815 shares with a par value of €10 at December 31, 2019. It is fully paid up.

Note 14 – Financial risk management - Financial instruments

Financial instruments relating to interest rate risk:

As indicated in Note 3.19, the interest rate swaps entered into by the Group are classified as derivative financial instruments.

At December 31, 2019, these agreements relate to a notional amount of €206,100k against the 3 month Euribor, with next maturity date in February 2024 (concerning mainly the Ramirent Group for €185,000k).

At December 31, 2019, the fair value of these derivative instruments amounts to €3,168k compared to €1,400k at December 31, 2018. Fair value adjustments are accounted for in financial income for an amount of €1,459k at December 31, 2019.

The fair value is estimated based on forecasts of observable interest rates on the derivatives market and classified as Level 2 in accordance with the classification presented in Note 3.10.

Financial instruments relating to foreign exchange risk:

As indicated in Note 3.20, foreign currency put options entered into by the Group are classified as derivative financial instruments.

Loxam SAS held forward contracts on the Pound Sterling for GBP 46,290k at December 31, 2019, against GBP 74,872k at December 31, 2018.

The fair value of these financial instruments is a liability of €4,440k at December 31, 2019, compared to a liability of €913k at December 31, 2018. The change in fair value is accounted as a financial loss for an amount of €3,791k at December 31, 2019.

The fair value is estimated based on forecasted exchange rates observable on the currency market and is classified as Level 2 in accordance with the classification presented in Note 3.10.

Change in the valuation of financial instruments in 2019:

€'000	Interest Rate swaps	Exchange rate hedging	Financial instruments
Fair value level	Level 2	Level 2	
Value at beginning of year	**1,400**	**913**	**2,313**
Changes in scope	3,227	(264)	**2,963**
Value adjustment in P&L	(1,459)	3,791	**2,332**
Value at end of the period	**3,168**	**4,440**	**7,608**

Derivatives instruments included in the assets	**-**
Derivatives instruments included in the liabilities	**7,608**

Change in the valuation of financial instruments in 2018:

€'000	Interest Rate swaps	Exchange rate hedging	Financial instruments
Fair value level	Level 2	Level 2	
Value at beginning of year	**2,855**	**1,181**	**1,674**
Changes in scope			-
Acquisition			-
Value adjustment	(1,455)	2,095	**640**
Value at end of year	**1,400**	**913**	**2,313**

Derivatives instruments included in the assets	-
Derivatives instruments included in the liabilities	**2,313**

Liquidity risk information

Liquidity risk is managed by Loxam's Finance Department, which provides subsidiaries with access to adequate short or long-term financing facilities.

The subsidiaries can look to local financing to fund their investments; in this case, these agreements are validated by the Group's Finance Department.

Liquidity is optimised at the parent company level through investment tools with capital guarantees (particularly marketable securities or instant access term deposit accounts).

Transfers between the parent company and its subsidiaries are covered by cash management agreements or loan agreements.

The group is subject to financial ratios pursuant to its bond issuances. At December 31, 2019, the Group is in compliance with these ratios.

Credit risk information

The Loxam Group has a credit management policy in place enabling it to evaluate the creditworthiness of the customers.

Outstanding balances are monitored with regular reports and financial information concerning customers is tracked daily. Customer provisions are recorded in the accounts for uncollectable amounts at each month end.

Note 15 – Borrowings and financial debt

Following the application of IFRS 16 standard, as explained in Note 3.2 Changes in accounting policy and Note 3.13 Leases, the Group is presenting separately the "lease debt" related to finance leasing and the "lease liability" related to operating lease contracts.

Breakdown of current and non-current financial debt:

€'000	31.12.18	31.12.19
Bond (a)	1,552,170	2,969,877
Bilateral and bridge loans net of issuance costs	305,570	366,912
Lease debt	205,289	191,542
Lease liability	-	242,790
Other financial debt	-	514
Non-current financial debt	**2,063,029**	**3,771,635**
Commercial papers	-	115,000
Short-term bilateral loans	103,523	119,337
Short-term lease debt	88,043	96,975
Short-term lease liability	-	93,354
Other financial debt	22,567	48,455
Current bank borrowings	2,371	1,052
Current financial debt	**216,504**	**474,173**
Financial debt	**2,279,533**	**4,245,808**

(a) Net of bond issuance costs.

Breakdown of financial debt by interest rate

€'000	31.12.18	31.12.19
Variable-rate debt	379,967	571,948
Fixed-rate debt	1,896,900	3,671,441
Bank overdrafts	2,371	1,052
Other	295	1,367
TOTAL	**2,279,533**	**4,245,808**

Breakdown of financial debt by maturity

€'000	31.12.18	31.12.19
< 1 year	216,504	474,173
1 to 5 years	1,518,329	1,628,641
> 5 years	544,700	2,142,995
TOTAL	**2,279,533**	**4,245,808**

Change in borrowings and financial debt

Changes in 2019

€'000	Beginning of year	Change in scope (a)	First time application IFRS 16	Increase	Decrease	Other (a)	31.12.19
Bond issues	1,552,170	-	-	1,873,774	(464,300)	8,233	**2,969,877**
Bilateral loans	409,093	232,945	-	174,495	(337,279)	6,995	**486,249**
Commercial papers	-	280,000	-	-	(165,000)	-	**115,000**
Lease debt	293,332	66	-	113,336	(118,360)	144	**288,517**
Lease liability	-	102,934	224,887	83,004	(75,498)	817	**336,145**
Other financial debt	24,938	20,706	-	-	-	4,375	**50,020**
TOTAL	**2,279,533**	**636,651**	**224,887**	**2,244,609**	**(1,160,437)**	**20,565**	**4,245,808**

(a) Including exchanges gains or losses.

Changes in 2018

€'000	Beginning of year	Change in scope	Increase	Decrease	Other	31.12.18
Bond issues	1,631,419	-	-	(85,000)	5,751	**1,552,170**
Bilateral loans	364,611	-	325,630	(279,459)	(1,690)	**409,093**
Lease debt	218,653	795	166,640	(92,384)	(372)	**293,332**
Other financial debt	24,024	-	-	-	914	**24,938**
TOTAL	**2,238,708**	**795**	**492,270**	**(456,843)**	**4,603**	**2,279,533**

Note 16 – Employee benefits

€'000	31.12.18	31.12.19
Net Defined Benefit Obligation	**11,111**	**44,188**
Reconciliation of the commitment and the provision		
Commitment	13,271	46,072
Plan assets	(2,160)	(1,884)
Net Defined Benefit Obligation at year-end / period	**11,111**	**44,188**
Movement in Defined Benefit Liability		
Net Defined Benefit Liability at beginning of year	**16,608**	**11,111**
Expense for the financial year	(3,378)	2,063
Recognition of actuarial gains or losses through OCI	(2,269)	(498)
Benefits or contributions paid by the employer	(906)	(1,025)
Exchange gains or losses	58	656
Changes in scope and other (a)	997	31,881
Net Defined Benefit Obligation at year-end / period	**11,111**	**44,188**

(a) At December 31, 2019, concerns the defined benefit pension plan "ITP2" of Ramirent Sweden.

Breakdown of the expense for the financial year	31.12.18	31.12.19
Current service cost	1,046	1,583
Other	(41)	89
Interest cost	202	391
Gain related to contract amendment (a)	(4,585)	-
Expense for the year / period	**(3,378)**	**2,063**

(a) Since January 1, 2018, employees of Loxam BV have been transferred to a defined contribution plan (DC). All financial risks of the old defined benefit plan (DB) have been outsourced. There is no longer commitment on this plan and the gain related to the amendment of the contract was recorded into the other operational income for €4,585k.

The provisions for employee benefits concern:

- retirement benefits for €43,222k at December 31, 2019 compared to €10,220k at December 31, 2018;
- jubilee awards for €966k at December 31, 2019 compared to €891k at December 31, 2018.

	31.12.18		31.12.19	
Actuarial assumptions used	**France**	**International**	**France**	**International**
Discount rate (a)	2.00	1.00 to 2.00	1.00	0.20 to 1.75
Salary increase rate	1.50	0.00 to 4.6	1.50	0.00 to 4.6
Inflation rate	1.75	0.60 to 1.75	1.75	0.70 to 2.00
Mortality table	THTF 00-02	Depending on the country	THTF 00-02	Depending on the country
Retirement age	65	62 to 70	65	62 to 70

(a) Discount rate retained at 31/12/2019: Mercer Pension Yield Curve Eurozone.

Schedule of future payments over ten years	31.12.18	31.12.19
Less than 1 year	324	747
More than 1 year	5,614	13,160

Sensitivity Analysis - Changes in the defined benefit obligation as %	31.12.18	31.12.19
Discount rate +0.5%	-10%	-11%
Discount rate -0.5%	4%	10%

Note 17 – Provisions

Change in provisions in 2019

€'000	Provisions for contingencies	Provisions for charges	Total
Balance at beginning of year	**6,959**	**4,139**	**11,098**
Changes in scope	3,676	578	**4,254**
Allocations	8,364	1,116	**9,481**
Reversals	(2,664)	(968)	**(3,632)**
Exchange gains or losses and other	(247)	(1,486)	**(1,733)**
Balance at end of year / period	**16,088**	**3,380**	**19,468**

Change in provisions in 2018

€'000	Provisions for contingencies	Provisions for charges	Total
Balance at beginning of year	**6,857**	**4,388**	**11,245**
Changes in scope	7	(49)	**(42)**
Allocations	2,086	906	**2,993**
Reversals	(1,706)	(2,005)	**(3,712)**
Exchange gains or losses and other [(a)]	(285)	899	**614**
Balance at end of year	**6,959**	**4,139**	**11,098**

(a) Related to exchange differences (mainly Degraus) and a provision for refurbishment work for €1,106k.

Note 18 – Trade payables and other current liabilities

€'000	31.12.18	31.12.19
Trade payables	132,547	178,598
Payables to fixed asset suppliers	69,663	26,666
Trade payables and related	**202,210**	**205,265**
Corporate income tax liabilities	**3,706**	**11,942**
Tax and social security liabilities	115,035	160,102
Other liabilities	19,094	32,086
Accrued income	1,333	1,227
Other liabilities and accruals	**135,462**	**193,415**
Total current liabilities	**341,378**	**410,621**

Note 19 – Segments information

Revenue by division

€'000	31.12.18	*% of total*	31.12.19	*% of total*
Generalist France	655,752	*44.2*	681,479	*36.4*
Specialist France	228,530	*15.4*	242,774	*13.0*
Total France	**884,282**	*59.6*	**924,254**	*49.4*
International	598,300	*40.4*	947,179	*50.6*
Total Revenue	**1,482,583**		**1,871,433**	

EBITDA by division

EBITDA is not a measure of financial performance under IFRS and should not be considered as an alternative to net profit as an indicator of the operating performance or any other measures of performance derived in accordance with IFRS.

EBITDA is defined by the Group as profit from ordinary operations plus depreciation and amortization of tangible and intangible assets.

€'000	31.12.18 [(a)]	*EBITDA margin*	31.12.19	*EBITDA margin*
Generalist France	225,493	*34.4%*	269,821	*39.6%*
Specialist France	78,186	*34.2%*	86,240	*35.5%*
Total France	**303,679**	*34.3%*	**356,061**	*38.5%*
International	195,312	*32.6%*	331,141	*35.0%*
Real estate	1,693	*n.a.*	6,562	*n.a.*
Total EBITDA	**500,685**	*33.8%*	**693,764**	37.1%

a) The Group has applied IFRS 16 for the first time on January 1, 2019, using the modified retrospective approach: the comparative information has not been restated.

b) Real estate EBITDA corresponds to rental income from real estate held by the group that is not assigned to a division less direct external costs.

Profit from ordinary operations by division

€'000	31.12.18 [(a)]	*% of total*	31.12.19	*% of total*
Generalist France	111,909	*52.6*	112,609	*47.1*
Specialist France	30,216	*14.2*	31,165	*13.0*
France	**142,125**	*66.7*	**143,775**	*60.2*
International	69,268	*32.5*	92,002	*38.5*
Real estate	1,531	*n.a.*	3,087	*n.a.*
Total Profit from ordinary operations	**212,923**		**238,864**	

(a) The Group has applied IFRS 16 for the first time on January 1, 2019, using the modified retrospective approach: the comparative information has not been restated.

Note 20 – Personnel expenses

€'000	31.12.18	31.12.19
Salaries	284,777	350,223
Payroll taxes	88,140	109,047
Personal benefits	100	647
Incentive and employee profit-sharing	8,281	7,557
Total personnel expenses	**381,298**	**467,475**
Average headcount	7,928	11,358

Until year 2018 the French tax credit, "Crédit d'Impôt Compétitivité Emploi (C.I.C.E.)", was deducted from payroll taxes. From January 1, 2019 the C.I.C.E has been replaced by a relief of employer's social contribution on the lower salaries.

Note 21 – Other operating income and expenses

At December 31, 2019 other operating expenses amount to €(29,020)k. They mainly concern the acquisition costs relating to UK Platforms and Ramirent for a total of €(12,900)k, the depreciation of the goodwill of Loxam A/S (Denmark) for €(10,000)k, as well as a restructuration plan of the Swedish activities of Ramirent for €(5,200)k.

Other operating income mainly concern an exceptional profit related to a tax relief program in Brazil.

At December 31, 2018 other operating incomes amounted to €5,530k and were related to the gain on pension contribution contracts requalification at Loxam BV.
Other operating expenses amounted to €(5,302)k and were related to the acquisition costs of Nove, NVA and UK Platforms, some non-recurring depreciations on fleet equipment, depreciation on goodwill of Hune Pronto Rental and the depreciation of Lavendon France trademark.

Note 22 – Financial income (expense)

€'000	31.12.18	31.12.19
Interest and financing-related expenses [a]	(97,177)	(125,882)
Income from cash and cash equivalents	1	49
Net finance costs	**(97,176)**	**(125,833)**
Fair value adjustments of interest rate Swaps	(640)	(2,332)
Exceptional financial costs [b]	(1,902)	(28,310)
Foreign exchange gains or losses	(3,198)	(2,244)
Other financial expenses	(486)	(730)
Other financial income	1,267	1,145
Financial income (expense)	**(102,135)**	**(153,817)**

(a) At December 31, 2019, includes expenses related to lease financial debt €(5,721)k and interest related to lease liabilities €(9,495)k, as presented in Note 15.

(b) At December 31, 2019, mainly concern the costs related to the follow-up loan of €1,500 million contracted for Ramirent acquisition and the accelerated amortization of issuance cost following the reimbursement of April 2019.
At December 31, 2018 mainly concerned early repayment and accelerated amortization of issuance costs following the reimbursement of €60 million of the €299.3 million outstanding principal amount of the 2021 Senior Secured Notes issued in 2014 and €25 million of the €250.0 million outstanding principal amount of the 2022 Senior Subordinated Notes.

Note 23 – Corporate income tax

Analysis of tax expense

€'000	31.12.18	31.12.19
Current tax	(8,927)	(4,718)
Deferred tax	(11,644)	(4,979)
Total	**(20,571)**	**(9,697)**

Reconciliation between actual tax and theoretical tax expense

€'000	31.12.18	31.12.19
Consolidated income before tax and "CICE" French tax credit, and share of result in associates	**(104,503)**	**(56,974)**
Tax rate (parent)	32,02%	32,02%
Theoretical tax expense	**(33,462)**	**(18,243)**
Difference in parent / subsidiary rates	8,617	4,166
Unused tax losses for the year	(3,295)	(2,094)
Use of previously unused losses	289	786
Permanent differences	7,588	6,906
Tax credits and other	(309)	(1,218)
Actual tax expense	**(20,571)**	**(9,697)**
Effective tax rate	19,68%	17,02%

Deferred tax assets and liabilities

€'000	31.12.18	31.12.19
Opening balance	**(40,432)**	**(52,006)**
Income (expense)	(11,644)	(4,979)
Change in scope	300	(117,254)
Own funds allocation	(441)	316
Other changes	211	1,380
Closing balance	**(52,006)**	**(172,543)**
Deferred tax assets	18,394	18,461
Deferred tax liabilities	(70,400)	(191,004)

Deferred tax assets primarily relate to temporary differences and the use of loss carry forwards. The deferred tax liabilities relate to temporary differences primarily linked to accelerated tax depreciation charges and to intangibles assets from the PPA.

Note 24 – Off-balance sheet commitments

€'000	31.12.18	31.12.19
Guarantee given to banks for payment of real estate rentals	2,106	2,106
Pledging of business assets as collateral	360	360
Total commitments given	**2,466**	**2,466**
Bank guarantee received for payment of real estate rentals	7,308	-
Other bank guarantees received	450	727
Total commitments received	**7,758**	**727**

Other commitments given to guarantee bank borrowings recorded on the balance sheet:

- Guarantees from Loxam SAS on subsidiaries' borrowings (bilateral loans and finance leases) for €31,101k at December 31, 2019.
- Pledge of Loxam Power, Loxam Module, Lavendon Group Ltd and Ramirent OYJ shares as well as the Loxam brand as collateral to guarantee €2,300 million of Senior Secured bonds.
- €75 million RCF, transfer under the Dailly Act: 120% of the outstanding amount drawn on the revolving loan and pledging of a bank account as collateral to guarantee the revolving loan. The revolving loan was not drawn during the period.

In addition, following the application of IFRS 16, as stated in Note 3.2 Changes in accounting methods, the Group applies the exemptions provided by the standard (low-value equipment and short-term contracts) and therefore keeps contractual operating lease commitments.

Note 25 – Related-party transactions

The remuneration of key governing bodies is comprised of the following:

€'000	31.12.18	31.12.19
Executive Committee compensation	3,084	3,293
Executive Committee benefits in kind	31	43
Attendance fees paid to directors	44	42
Total amount of compensation and benefits paid to executives and directors	**3,159**	**3,378**

The parent company SAS Loxam concluded a services contract with the company DPZ Partners which holds part of the share capital of SAS Loxam. This contract was concluded under normal market conditions. The services provided to this contract were billed to SAS Loxam for an amount of €1.7 million in 2019 against €1.1 million in 2018.

On July 4, 2019, SCI Ellipse acquired Le Cap, an office building based in La Défense. Loxam SAS entered into a ten-year lease agreement with SCI Ellipse starting from January 1, 2020. Loxam SAS will rent the entirety of the building (approximately 9,515 sqm) for an annual rent of €4.1 million and related taxes. Loxam SAS will support the costs related to the renovation of the building before moving in during the summer of 2020.

Also the Group does not have any significant transactions with related parties that have not been entered into under normal market conditions.

Note 26 – Statutory Auditors' Fees

€'000	Constantin/Deloitte	KPMG	Other
Accounts certification	231	228	-
Other subsidiaries	671	339	481
Other services	498	492	159
Overall fees of statutory Auditors	**1,401**	**1,059**	**641**

Note 27 – Impact of the first application of IFRS 16 on financial statements

Reconciliation between lease commitments considered under IAS 17 to lease liabilities recognized following the first time application of IFRS 16

€'000	
Total lease commitments (not discounted) as at 31.12.2018	**246,517**
Exclusion of low value equipment	(9,489)
Exclusion of short-term contracts	(5,875)
Total retained commitments (not discounted)	**231,153**
Discounting impact	(6,266)
Total lease liabilities recognized as at 01.01.19	**224,887**

In accordance with Notes 3.2 Changes in Accounting Policies and 3.13 Leases, the Group presents the right-of-use assets within "Property, Plant and Equipment", on the same line as the underlying assets of the same nature of which it has full ownership and lease liabilities within "Borrowings and financial debts" in the statement of financial position.
The impact of the application of IFRS 16 on the interim financial statements as of December 31, 2019 is presented below, in order to detail the restatement of operating leases as from January 1, 2019, since finance leases are already accounted for in accordance with IAS 17.

Statement of financial position

ASSETS (€'000)	31.12.19 (excluding IFRS 16)	IFRS 16 Impact*	31.12.19
Intangible assets and goodwill	2,353,604	-	2,353,604
Property, plant and equipment	2,032,868	329,610	2,362,477
Investments in associates	9,815	-	9,815
Financial assets	21,369	-	21,369
Deferred tax assets	18,461	-	18,461
Non-current assets	**4,436,117**	**329,610**	**4,765,726**
Inventories	49,302	-	49,302
Trade and other receivables	496,581	-	496,581
Other current assets	52,466	-	52,466
Corporate income tax receivables	22,570	-	22,570
Cash and cash equivalents	230,087	-	230,087
Current assets	**851,006**	**-**	**851,006**
Total assets	**5,287,123**	**329,610**	**5,616,732**

LIABILITIES (€'000)	31.12.19 (excluding IFRS 16)	IFRS 16 Impact*	31.12.19
Share capital	229,818	-	229,818
Additional paid-in capital	1,882	-	1,882
Consolidated reserves	407,887	(447)	407,439
Net profit for the year	53,661	(4,272)	49,389
Shareholders' equity (Group share)	**693,247**	**(4,720)**	**688,528**
Non-controlling interests	9,535	(28)	9,507
Total equity	**702,782**	**(4,747)**	**698,035**
Employee benefits	44,188	-	44,188
Deferred tax liabilities	192,791	(1,787)	191,004
Borrowings and financial debt	3,528,845	242,790	3,771,635
Financial derivatives	7,608	-	7,608
Non-current liabilities	**3,773,433**	**241,003**	**4,014,436**
Provisions	19,468	-	19,468
Borrowings and financial debt	380,818	93,354	474,173
Trade and other payables	205,265	-	205,265
Other liabilities	193,415	-	193,415
Corporate income tax liabilities	11,942	-	11,942
Current liabilities	**810,907**	**93,354**	**904,262**
Total shareholders' equity and liabilities	**5,287,123**	**329,610**	**5,616,732**

* impact of restatement of operating leases

Consolidated income statement

€'000	31.12.19 (excluding IFRS 16)	IFRS 16 Impact*	31.12.19
Revenue	**1,871,433**	**-**	**1,871,433**
Other income	59,466	5	59,472
Operating income	**1,930,899**	**5**	**1,930,905**
Purchases consumed	(193,407)	-	(193,407)
Personnel expenses	(467,475)	-	(467,475)
Other current expenses	(641,455)	84,787	(556,668)
Taxes and duties	(19,591)	-	(19,591)
Depreciation and amortization – Property, plant and equipment	(346,981)	(81,270)	(428,251)
Depreciation and amortization – Intangibles assets	(26,648)	-	(26,648)
Profit from ordinary operations	**235,343**	**3,522**	**238,864**
Other operating incomes	947	-	947
Other operating expenses	(29,020)	-	(29,020)
Operating profit	**207,269**	**3,522**	**210,791**
Interest and financing-related expenses	(116,338)	(9,495)	(125,833)
Other financial expenses	(31,691)	-	(31,691)
Financial income	3,708	-	3,708
Financial income (expense)	**(144,322)**	**(9,495)**	**(153,817)**
Profit before tax	**62,947**	**(5,974)**	**56,974**
Share of result in associates and joint ventures	899	-	899
Income tax expense	(11,371)	1,673	(9,697)
Net profit	**52,476**	**(4,300)**	**48,176**
Non-controlling interests	(1,185)	(28)	(1,213)
Net profit, Group share	**53,661**	**(4,272)**	**49,389**
EBITDA	**608,971**	**84,792**	**693,764**

* impact of restatement of operating leases

Consolidated cash-flow statement

€'000	31.12.19 (excluding IFRS 16)	IFRS 16 Impact*	31.12.19
Net profit	**52,476**	**(4,300)**	**48,176**
Share of result in associates and joint ventures	(899)	-	(899)
Income tax expense (including deferred tax)	11,371	(1,673)	9,697
Net finance costs	153,817	-	153,817
Other operating income and expense	5,139	-	5,139
Depreciation and provisions, net of reversals	384,875	81,270	466,145
Capital gains on asset disposals	(48,450)	(5)	(48,455)
Cash flow from operations (before cost of financing and tax)	**558,329**	**75,291**	**633,620**
Income tax paid	(4,718)	-	(4,718)
Financial interest paid	(140,546)	-	(140,546)
Financial interest received	1,194	-	1,194
Change in working capital requirements	(35,047)	-	(35,047)
Cash flow from operating activities	**379,212**	**75,291**	**454,503**
Impact of changes in scope	(1,052,667)	207	(1,052,460)
Acquisitions of fixed assets	(383,082)	(83,004)	(466,086)
Disposals of fixed assets	73,234	-	73,234
Cash flow from investing activities	**(1,362,516)**	**(82,797)**	**(1,445,313)**
Dividends paid	(6,895)	-	(6,895)
Proceeds from loans and borrowings	2,161,605	83,004	2,244,609
Repayment of loans and borrowings	(1,084,938)	(75,498)	(1,160,437)
Cash flow from financing activities	**1,069,772**	**7,506**	**1,077,278**
Change in cash and cash equivalents	**86,468**	**-**	**86,468**
Cash and cash equivalents at beginning of period	141,418	-	141,418
Cash and cash equivalents at end of period	229,035	-	229,035
Impact of exchange rate fluctuations	(1,150)	-	(1,150)
Change in cash and cash equivalents	**86,468**	**-**	**86,468**

Other marketable securities	102,269	-	102,269
Cash at bank and on hand	127,818	-	127,818
Current bank borrowings	(1,052)	-	(1,052)
Cash and cash equivalents	**229,035**	**-**	**229,035**

* impact of restatement of operating leases

Note 28 – Impacts of changes in scope on the financial statements

ASSETS (€'000)	31.12.18	Loxam without Ramirent	Ramirent Group*	31.12.19
Goodwill	1,252,277	1,270,928	652,160	1,923,088
Trademarks and customer relationships	65,734	67,373	346,127	413,500
Intangible assets	9,275	9,000	8,016	17,015
Property, plant and equipment	1,354,701	1,660,409	702,069	2,362,477
Investments in associates	-	-	9,815	9,815
Financial assets	14,381	14,339	7,030	21,369
Neutralization of securities	-	1,022,510	(1,022,510)	-
Deferred tax assets	18,394	18,461	-	18,461
Non-current assets	**2,714,762**	**4,063,019**	**702,707**	**4,765,726**
Inventories	30,782	32,537	16,766	49,302
Trade and other receivables	388,497	371,539	125,041	496,581
Other current assets	56,215	40,855	11,611	52,466
Corporate income tax receivables	12,256	15,911	6,659	22,570
Cash and cash equivalents	143,789	215,886	14,201	230,087
Current assets	**631,539**	**676,729**	**174,277**	**851,006**
Total assets	**3,346,301**	**4,739,748**	**876,984**	**5,616,732**

LIABILITIES (€'000)	31.12.18	Loxam w/o Ramirent	Ramirent Group*	31.12.19
Share capital	229,818	229,818	-	229,818
Additional paid-in capital	1,882	1,882	-	1,882
Consolidated reserves	292,489	428,008	(20,569)	407,439
Net profit for the year	95,658	26,633	22,756	49,389
Non-controlling interests	10,621	9,506	-	9,507
Total equity	**630,468**	**695,847**	**2,188**	**698,035**
Employee benefits	11,111	12,026	32,163	44,188
Deferred tax liabilities	70,400	74,374	116,630	191,004
Borrowings and financial debt	2,063,029	3,320,601	451,034	3,771,635
Financial derivatives	2,313	4,630	2,978	7,608
Non-current liabilities	**2,146,853**	**3,411,630**	**602,805**	**4,014,436**
Provisions	11,098	9,659	9,809	19,468
Borrowings and financial debt	216,504	321,764	152,408	474,173
Trade and other payables	202,210	160,955	44,310	205,265
Other liabilities	135,462	134,978	58,437	193,415
Corporate income tax liabilities	3,706	4,915	7,027	11,942
Current liabilities	**568,980**	**632,271**	**271,991**	**904,262**
Total shareholders' equity and liabilities	**3,346,301**	**4,739,748**	**876,984**	**5,616,732**

* To enable comparability between the 2018 and 2019 financial statements, the impact of the acquisition of Ramirent is presented separately from the historical Loxam scope of consolidation ("Loxam without Ramirent").
As UK Platforms was acquired at the beginning of 2019 and given its materiality, the impact is not shown separately (included in "Loxam without Ramirent").

€'000	31.12.18	Loxam without Ramirent	Ramirent Group	Impact Acquisition-Refinancing*	31.12.19
N. of months in consolidation		12 months	5 months		
Revenue	1,482,583	1,544,506	326,927	-	1,871,433
Other income	56,712	52,605	6,867	-	59,472
Operating income	**1,539,295**	**1,597,111**	**333,794**	**-**	**1,930,905**
Purchases consumed	(162,769)	(171,456)	(21,950)	-	(193,407)
Personnel expenses	(381,298)	(399,150)	(68,325)	-	(467,475)
Other current expenses	(475,283)	(425,778)	(130,891)	-	(556,668)
Taxes and duties	(19,261)	(19,591)	-	-	(19,591)
Depreciation and amortization – Property, plant and equipment	(275,710)	(367,315)	(60,936)	-	(428,251)
Depreciation and amortization – Intangibles assets	(12,051)	(12,993)	(13,655)	-	(26,648)
Profit from ordinary operations	**212,923**	**200,828**	**38,036**	**-**	**238,864**
Other operating incomes/expenses	228	(10,510)	(6,639)	(10,924)	(28,074)
Operating profit	**213,152**	**190,318**	**31,398**	**(10,924)**	**210,791**
Financial income (expense)	**(102,135)**	**(104,842)**	**(6,438)**	**(42,538)**	**(153,817)**
Profit before tax	**111,017**	**85,476**	**24,960**	**(53,462)**	**56,974**
Share of result in associates and joint ventures	-	-	899	-	899
Income tax expense	(20,571)	(6,594)	(3,103)	-	(9,697)
Net profit	**90,446**	**78,882**	**22,756**	**(53,462)**	**48,176**
Non-controlling interests	(5,212)	(1,213)	-	-	(1,213)
Net profit, Group share	**95,658**	**80,095**	**22,756**	**(53,462)**	**49,389**
EBITDA	**500,685**	**581,136**	**112,628**	**-**	**693,764**

* The impact related to the acquisition and the refinancing is shown separately (excluding taxes impact) to present a comparative basis of the results for the historical Loxam scope between 2018 and 2019 as well as five months of Ramirent's activity in the consolidated statements as at December 31, 2019.

Note 29 - Business Combination-Comparative Information

In order to have a comparable basis for the upcoming years, we present below a "pro-forma" analysis of the main income statement items.

€'000	Loxam consolidated Income statement 31.12.19	Additional Contributions Ramirent Group -7 months-	Combined Income statements -12 months-	Restatements related to financing activities	Homogeniza-tion according to Group's standards	Presentation reclassifi-cations	Pro Forma 31.12.19
		Note 1		Note 2	Note 3	Note 4	
Revenue	**1,871,433**	**436,267**	**2,307,700**	-	**-**	**(12,624)**	**2,295,076**
Other income	59,472	4,387	63,858	-	-	9,387	73,246
Operating income	**1,930,905**	**440,654**	**2,371,559**	**-**	**-**	**(3,237)**	**2,368,322**
Purchases consumed	(193 407)	(4 775)	(198 181)	-	-	(23 465)	(221 647)
Personnel expenses	(467,475)	(105,670)	(573,145)	-	-	8,320	(564,824)
Other current expenses	(556,668)	(203,142)	(759,811)	-	1,689	27,664	(730,457)
Taxes and duties	(19,591)	-	(19,591)	-	-	-	(19,591)
D&A - Tangible	(428,251)	(81,425)	(509,676)	-	(1,617)	8	(511,284)
D&A – Intangible	(26,648)	(4,005)	(30,653)	-	(14,113)	-	(44,766)
Share of result in associates and joint ventures	-	900	900	-	-	(900)	-
Profit from ordinary operations	**238,864**	**42,539**	**281,403**	-	**(14,041)**	**8,390**	**275,752**
Other operating income and expenses	(28,074)	1,411	(26,662)	-	-	(9,291)	(35,953)
Operating profit	**210,791**	**43,950**	**254,741**	-	**(14,041)**	**(900)**	**239,799**
Financial income /expense	**(153,817)**	**(6,811)**	**(160,628)**	**(26,276)**	**(204)**	-	**(187,108)**
Profit before tax	**56,974**	**37,139**	**94,113**	**(26,276)**	**(14,245)**	**(900)**	**52,691**
Share of result in associates and joint ventures	899	**-**	899	-	-	900	1,800
Income tax expense	(9,697)	(8,352)	(18,049)	7,298	2,963	-	(7,788)
Share of result from activities to be sold	-	368	368	-	-	-	368
Net profit	**48,176**	**29,155**	**77,330**	**(18,978)**	**(11,282)**	**(0)**	**47,070**
Non-controlling interests	(1,213)	**-**	(1,213)	-	-	-	(1,213)
Net profit, Group share	**49,389**	**29,155**	**78,543**	**(18,978)**	**(11,282)**	**(0)**	**48,283**
EBITDA	**693,764**	**127,968**	**821,731**	**-**	**1,689**	**8,382**	**831,802**
Expected synergies (Note 5)							**18,000**
EBITDA Pro forma with synergies							**849,802**

Note 1: Additional contribution for acquired entities relates to: 7 months of Ramirent's activity (from January 1, 2019 to July 31, 2019), including Stavdal (from January 1, 2019 to June 30, 2019).

These data were derived from the audited financial statements of Ramirent Group. The impacts related to Stavdal were based on the information available, but were not audited.
The average tax rate used for Ramirent group was 20.8%.

Note 2: Restatements related to financing
These restatements reflect the impact of the new financing arrangements for the acquisition of Ramirent. They are detailed as follows:

- New bonds for €1,400 million as from 01/01/19 : addition of the related financial interests from 01/01/2019 to 22/07/2019;
- Neutralization of interests paid on the historical debt of Ramirent, replaced by a financing by current accounts;
- Refinancing of bonds issued in July 2014 by new bonds for €500 million as from 01/01/2019. Consideration of the saving related to financial interests starting from 01/01/2019.

Note 3: Adjustments according to Group accounting rules

- Amortization of intangible assets following the Purchase Price Allocation of Ramirent as from 01/01/2019 (preliminary PPA as at 31/12/2019);
- Neutralization of intangible assets amortization from previous acquisitions made by Ramirent Group ;
- Calculation of IFRS 16 impacts for Stavdal from 01/01/2019 to 30/06/2019.

Note 4: Presentation reclassifications

- Reclassification of the capital gains on sale of equipment to other income;
- Reclassification of the share of result in associates and joint ventures after profit before tax;
- Reclassification of non-recurring costs related to the sale of activities in Denmark and Temporary Space business, related to the Stavdal acquisition and Loxam's take-over to other operating income and expenses.

Note 5: Expected synergies

- At Ramirent level, the annual synergies to be extracted from the Stavdal acquisition are estimated at approximately €6 million from 2020;
- For the Loxam group, synergies related to the acquisition of Ramirent, including the delisting of Ramirent, certain central costs reduction and geographic reorganizations are estimated at approximately €12 million.

KPMG Audit
Parc Edonia, Bâtiment S
Rue de la Terre Victoria
CS 46806
35768 Saint Grégoire Cedex
France

Member of Deloitte Touche Tohmatsu Limited
6, place de la Pyramide
92908 Paris La Défense Cedex
France

Loxam S.A.S.

Statutory auditors' report on the consolidated financial statements

For the year ended 31 December, 2018
Loxam S.A.S.
256 rue Coatanlem - 56850 Caudan
This report contains 50 pages
Reference : VB-191-58

KPMG Audit
Parc Edonia, Bâtiment S
Rue de la Terre Victoria
CS 46806
35768 Saint Grégoire Cedex
France

Constantin
Member of Deloitte Touche Tohmatsu Limited

Member of Deloitte Touche Tohmatsu Limited
6, place de la Pyramide
92908 Paris La Défense Cedex
France

This is a translation into English of the statutory auditors' report on the financial statements of Loxam S.A.S. 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.

Loxam S.A.S.

Registered office: 256 rue Coatanlem - 56850 Caudan
Share capital: €.229 818 150

Statutory auditors' report on the consolidated financial statements

For the year ended 31 December, 2018

To the annual general meeting of Loxam 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 Loxam S.A.S. for the year ended 31 December 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 31 December 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 rules applicable to us, for the period from 1 January 2018 to the date of our report and specifically we did not provide any prohibited non-audit services referred to in the French Code of ethics (code de déontologie) for statutory auditors.

Emphasis of Matter

We draw attention to the following matter described in Note 3.2 to the consolidated financial statements relating to "Application and interpretation of standards and regulations" relating to the impact of the new standards on the 2018 financial statements and, in particular, the application of the IFRS 9 standard. 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 following assessments 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.

Goodwill and other intangible assets

The Note 3.7 « Business combinations » and Note 3.14 « Impairment of intangible assets and property, plant and equipment » illustrate the method used to allocate identifiable assets and liabilities of consolidated entities, and the method used to determine the recoverable amounts of intangible assets.

The intangible assets reported in the consolidated financial statements as at 31 December 2018 include EUR 1 252 277 thousand in goodwill, which were subjected to impairment tests in accordance with the methods described in Note 3.14 « Impairment of intangible assets and property, plant and equipment » and Note 5 « Intangible assets and goodwill » of the consolidated financial statements.

As part of our audit, we assessed, among other things, the method used to perform impairment tests, the consistency of all the data and assumptions that underpin the measurement, as well as the calculation. We evaluated the appropriateness of the notes presented in the consolidated financial statements.

Specific verifications

As required by law, we have also verified in accordance with professional standards applicable in France the information pertaining to the Group presented in the management report of the Chairman.

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 Chairman.

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.

Rennes, on the 25 March 2019

Paris La Défense, on the 25 March 2019

The statutory auditors

French original signed by

Vincent Broyé
Partner
KPMG Audit
Département de KPMG S.A.

Vincent Broyé
Partner

Jean Paul Séguret
Partner

Constantin Associés
Member of Deloitte Touche Tohmatsu Limited

Jean Paul Séguret
Partner

Free translation into English

LOXAM GROUP

IFRS FINANCIAL STATEMENTS

at 31 December 2018

CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2018

Statement of financial position

	Notes	31.12.17	31.12.18
		(€'000)	
ASSETS			
Intangible assets and goodwill	5	1,333,889	1,327,286
Property, plant and equipment	6	1,232,597	1,354,701
Investments in associates	7	0	0
Financial assets	8	15,626	14,381
Financial derivatives	14	1,181	0
Deferred tax assets	22	21,632	18,394
Non-current assets		**2,604,925**	**2,714,762**
Inventories	9	29,315	30,782
Trade and other receivables	10	370,842	388,497
Other current assets	11	64,701	56,215
Corporate income tax receivables	11	19,380	12,256
Cash and cash equivalents	12	117,544	143,789
Current assets		**601,782**	**631,539**
Total assets		**3,206,707**	**3,346,301**

	Notes	31.12.17	31.12.18
		(€'000)	
LIABILITIES			
Share capital		229,818	229,818
Additional paid-in capital		1,882	1,882
Consolidated reserves		211,953	292,489
Net profit for the year		84,644	95,658
Shareholders' equity (Group share)		**528,297**	**619,847**
Non-controlling interests		15,391	10,621
Total equity	**13**	**543,688**	**630,468**
Employee benefits	16	16,608	11,111
Deferred tax liabilities	22	62,064	70,400
Borrowings and financial debt	15	2,037,490	2,063,029
Financial derivatives	14	2,855	2,313
Non-current liabilities		**2,119,017**	**2,146,853**
Provisions	17	11,245	11,098
Borrowings and financial debt	15	201,218	216,504
Trade and other payables	18	188,181	202,210
Other liabilities	18	135,400	135,462
Corporate income tax liabilities	18	7,958	3,706
Current liabilities		**544,003**	**568,980**
Total shareholders' equity and liabilities		**3,206,707**	**3,346,301**

Consolidated income statement and statement of comprehensive income

	Notes	31.12.17	31.12.18
		(€'000)	
Revenue		**1,367,698**	**1,482,583**
Other income		62,611	56,712
Operating income		**1,430,309**	**1,539,295**
Purchases consumed		(144,444)	(162,769)
Personnel expenses	19	(360,111)	(381,298)
Other current expenses		(443,267)	(475,283)
Taxes and duties		(18,488)	(19,261)
Depreciation and amortization – Tangible		(227,880)	(275,710)
Depreciation and amortization – Intangible		(10,503)	(12,051)
Profit from ordinary operations		**225,616**	**212,923**
Other operating incomes	20	14,045	**5,530**
Other operating expenses	20	(18,506)	(5,302)
Operating profit		**221,155**	**213,152**
Interest and financing-related expenses		(93,292)	(97,177)
Other financial expenses		(26,920)	(7,712)
Financial income		3,499	2,755
Financial income (expense)	21	**(116,714)**	**(102,135)**
Profit before tax		**104,441**	**111,017**
Share of profit of associates		(1,306)	0
Income tax expense	22	(18,860)	(20,571)
Net profit		**84,275**	**90,446**
Non-controlling interests		(369)	(5,212)
Net profit, Group share		**84,644**	**95,658**

	31.12.17	31.12.18
Net profit	**84,275**	**90,446**
Exchange gains or losses[1]	(24,615)	1,149
Value adjustments linked to hedging derivatives	(842)	601
Tax		
Items recycled to profit or loss	***(25,457)***	***1,750***
Remeasurement of liabilities for defined benefit retirement plans	3,568	2,178
Tax	(894)	(581)
Items not recycled to profit or loss	***2,674***	***1,597***
Other comprehensive income	**(22,783)**	**3,348**
Comprehensive income	**61,492**	**93,793**

(1) Of which foreign currency variation linked to the Lavendon Group: €(20,956)k in 2017

Consolidated cash-flow statement

	Notes		31.12.17	31.12.18
			(€'000)	
Net profit			**84,275**	**90,446**
Share of profit of associates	7		1,306	—
Income tax expense (including deferred tax)	22		18,860	20,571
Net finance costs	21		116,714	102,135
Other operating income and expense			(14,045)	(2,416)
Depreciation and provisions, net of reversals			247,049	289,585
Capital gains on asset disposals			(52,046)	(44,079)
Cash flow from operations (before cost of financing and tax)			**402,112**	**456,241**
Income tax paid			(9,323)	(8,927)
Financial interest paid			(92,696)	(95,476)
Financial interest received			1,440	1,299
Change in working capital requirements			(40,727)	8,734
Cash flow from operating activities		**A**	**260,805**	**361,872**
Impact of changes in scope			(817,570)	(17,128)
Acquisitions of fixed assets			(432,838)	(412,497)
Disposals of fixed assets			66,643	62,752
Cash flow from investing activities		**B**	**(1,183,764)**	**(366,873)**
Dividends paid			(4,941)	(6,895)
Capital decrease			(9,554)	—
Proceeds from loans and borrowings	15		1,918,950	492,270
Repayment of loans and borrowings	15		(1,021,040)	(456,843)
Cash flow from financing activities		**C**	**883,416**	**28,532**
Change in cash and cash equivalents		**A+B+C**	**(39,544)**	**23,531**
Cash and cash equivalents at beginning of period			155,677	116,583
Cash and cash equivalents at end of period			116,583	141,418
Impact of exchange rate fluctuations			(450)	(1,303)
Change in cash and cash equivalents			**(39,544)**	**23,531**
Other marketable securities			89	352
Cash at bank and on hand			117,455	143,437
Current bank borrowings			(961)	(2,371)
Cash and cash equivalents			**116,583**	**141,418**

Consolidated statement of changes in equity

	Share capital	Additional paid-in capital	Consolidated reserves	Reserves to be recycled (OCI)	Shareholders' equity (Group share)	Non-controlling interests	Total equity
				(€'000)			
At 1st January 2016	**258,223**	**1,882**	**288,730**	**(1,834)**	**547,000**	**204**	**547,204**
Net profit for the period			34,298		34,298	87	34,386
Employee benefits				(2,434)	(2,434)		(2,434)
Exchange gains or losses			5	1,450	1,455	14	1,469
Comprehensive income			**34,303**	**(984)**	**33,320**	**102**	**33,421**
Capital movements	(25,822)		(69,720)		(95,542)	633	(94,910)
Dividends			(4,884)		(4,884)	—	(4,884)
At 31 December 2016	**232,400**	**1,882**	**248,430**	**(2,818)**	**479,894**	**938**	**480,832**
Net profit for the period			84,644		84,644	(369)	84,275
Employee benefits				2,674	2,674		2,674
Hedge of net investment				(842)	(842)		(842)
Exchange gains or losses				(23,458)	(23,458)	(1,157)	(24,615)
Comprehensive income			**84,644**	**(21,626)**	**63,019**	**(1,526)**	**61,492**
Capital movements	(2,582)		(6,972)		(9,554)		(9,554)
Dividends			(4,941)		(4,941)		(4,941)
Changes in scope			(120)		(120)	15,979	15,859
At 31 December 2017	**229,818**	**1,882**	**321,041**	**(24,444)**	**528,297**	**15,391**	**543,688**
Net profit for the period			95,658		95,658	(5,212)	90,446
Employee benefits (a)				1,607	1,607	(9)	1,597
Hedge of net investment				601	601		601
Exchange gains or losses				1,438	1,438	(289)	1,149
Comprehensive income			**95,658**	**3,646**	**99,304**	**(5,510)**	**93,793**
IFRS 9 (a)			(1,026)		(1,026)		(1,026)
Capital movements							
Dividends			(6,895)		(6,895)		(6,895)
Changes in scope			0		0	542	542
Other movements			167		167	199	366
At 31 December 2018	**229,818**	**1,882**	**408,945**	**(20,798)**	**619,847**	**10,621**	**630,468**

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Note 1 – Overview

1.1 Presentation of the Group

Loxam is a French simplified joint stock company ("Société par actions simplifiée") with a capital of €229,818,150 as of December 31, 2018, governed by all of the legislation and regulations for commercial companies in France, and particularly the French commercial code ("Code de commerce").

Its registered office is located at 256 rue Nicolas Coatanlem, 56850 Caudan, France.

The Group is the European equipment rental market leader, with its business focused primarily on construction and civil engineering professionals. The Group operates mainly in Europe, , as well as North Africa, and has a 50.1% stake in a rental company in Brazil. Following the acquisitions of Lavendon and Hune, the Group is present in the United Arab Emirates, Bahrain, Saudi Arabia, Oman, Qatar, Kuwait and Colombia.

1.2 Context for the preparation of the IFRS consolidated financial statements

The consolidated financial statements for the period from January 1 to December 31, 2018 include Loxam and its subsidiaries (the whole referring to "the Group"), and the Group's share in equity affiliates and joint ventures.

1.3 Functional and reporting currency

The consolidated financial statements are prepared and presented in euros, which is the parent company's functional currency. All the financial data are presented in thousands of euros, rounded to the nearest thousand euros. The total amounts indicated in the tables may differ from the sum of the various items due to rounding.

Note 2 – Highlights

Overview of keys developments in 2018:

On February 8, 2018, Loxam SAS acquired 100% interest of Lavendon Access Services SAS ("Lavendon France") from Lavendon Access Services LTD. Lavendon France subsequently merged into Loxam SAS on April 1, 2018.

On February 7, 2018, Hune Rental SLU (Spain) acquired 100% of Loxam Alquiler (Spain) shares, from Loxam SAS. Loxam Alquiler merged into Hune Rental SLU on April 1, 2018 (with a retroactive effect as at January 1, 2018).

On June 1, our Dutch subsidiaries, Loxam BV, Workx Materieelverhuur BV and Workx Holding merged in order to improve the efficiency of our business.

On June 8, Loxam SAS acquired 100% of Negoce de Vehicules Automoteurs ("NVA"), a French based company with primary business in logistic for events activities. NVA merged into Loxam SAS on September 1, 2018.

On June 21, Loxam Access SRL acquired 100% of the Italian powered access rental company No.Ve. S.r.l. ("Nove") from Haulotte Group S.A., which operates 6 branches in Italy. Nove merged into Loxam Access SRL on December 21, 2018.

On July 23, Loxam redeemed €60 million out of the €299.3 million outstanding principal amount of the 2021 Senior Secured Notes, and €25 million out of the €250.0 million outstanding principal amount of the 2022 Senior Subordinated Notes. This partial redemption was funded out of available cash.

On December 10, 2018, our Dutch subsidiary Workx Sloop-en Graafdiensten BV was liquidated.

On December 29, 2018, Norleu Eurl merged into Loxam SAS.

Two companies were created within the Lavendon group during the fourth quarter of 2018:

- Rapid Access Middle East LLC (RAME), a company established in the Abu Dhabi free zone in the United Arab Emirates and wholly owned by Lavendon Access Services International
- Rapid Access Trading Bahrain W.L.L., located in Bahrain and 100% owned by Rapid Access Middle East LLC (RAME).

Overview of keys developments in 2017:

In January 2017, Loxam completed its share buy-back program and bought 258,222 shares, which were cancelled by a capital reduction.

On February 6, 2017, Loxam bought a 100% interest in the Spanish rental company Hune Rental S.L., that operates in Spain, Portugal, and France, and has two joint-ventures (Saudi Arabia and Colombia).

On February 13, 2017, Loxam took control of the British company Lavendon plc, which has its headquarters in the UK. This Group is composed of 70 branches located in the UK, Germany, France, Belgium and the Middle East.

Salmat Nord, which was acquired in 2016, merged into Loxam SAS as at January 1, 2017.

On April 4, 2017, Loxam issued €850 million of new bonds, split into three tranches:

- A senior secured bond of € 300 million due in 2022,
- A senior secured bond of € 300 million due in 2024,
- A senior subordinated bond of € 250 million due in 2025,

A bridge credit facility set-up in February 2017 for the Lavendon acquisition and the refinancing of its debt has been fully repaid at the beginning of April.

On April 28, 2017, Loxam SAS acquired 100% of Hune France from Hune Rental SLU (Spain). Hune France was merged into Loxam SAS on July 1, 2017.

On June 29, 2017, the German subsidiary of the Lavendon Group, Gardemann, was sold to the TVH Group. The capital gain amounted to € 14 million. At December 31, 2017, the goodwill and the intangible assets (trademarks and customers relashionship) allocated to Gardemann were fully depreciated for € 8.9 million.

A purchase price allocation following the acquisition of the Lavendon and Hune Groups was completed as at December 31, 2017 and is detailed in Note 5.

On August 7, 2017, Loxam redeemed €110.7 million out of the €410 million outstanding principal amount of its Senior Secured Notes due 2021. This partial redemption was funded out of the Group's available cash.

On August 31, 2017, Loxam completed the acquisition of the Danish equipment rental operation of Cramo Plc. This operation was structured as an asset deal. The seven branches acquired have since been integrated into Loxam's Danish operations.

On October 31, 2017, Loxam acquired the activities of the Italian company Nacanco SpA. This transaction was structured as an asset deal in Loxam Access SRL, a newly created company 80% owned by Loxam SAS. Loxam Access SRL operates a network of 14 branches specialized on access equipment rental.

On November 30, 2017, Loxam acquired 100% of the shares of an Irish rental company Swan Plant Hire, which operates out of two branches in Dublin.

In October and December 2017, the Loxam Group increased its stake in the Degraus company by 24.4%, bringing the total stake to 50.1% as at December 31, 2017.

On December 31, 2017, the assets and liabilities of Loxam Access Ltd were sold to Nationwide Platforms Ltd (Lavendon UK).

On December 31, 2017, Workx Sloop- en Graafdiensten BV ceased trading.

Post closing events

On July 19, 2018, Nationwide Platforms Limited entered into an unconditional agreement for the acquisition of UK Platforms Limited (UKP) from HSS Hire Group plc (HSS). UKP is specialized in the access equipment rental in the UK through a network of 12 branches.

The acquisition was finalized on January 14, 2019 after obtaining regulatory approvals.

Note 3 – Accounting principles

3.1 Declaration of compliance

The Loxam Group has prepared its consolidated financial statements at December 31, 2018, in accordance with IFRS (International Financial Reporting Standards) as adopted by the European Union at December 31, 2018, with mandatory compliance at this date, with comparative information presented for 2017, established with the same reporting standards. Our financial statements were preliminarily approved by the Chairman on March 22, 2019.

These standards include International Financial Reporting Standards (IFRS) and International Accounting Standards (IAS), as well as the interpretations of the Standing Interpretations Committee (SIC) and the International Financial Reporting Standards Interpretations Committee (IFRS IC).

These standards are available on the European Commission site: http://ec.europa.eu.internal_market/accounting/ias/index_fr.htm

The consolidated financial statements include the financial statements of Loxam SAS and its subsidiaries for the financial year from January 1, 2018 to December 31, 2018.

The list of consolidated companies is presented in Note 4.

3.2 Application and interpretation of standards and regulations

New mandatory IFRS standards, IFRIC interpretations or amendments to be applied from January 1, 2018:

Standards, amendments or interpretations	Dates adopted by the European Union	Loxam application dates: financial year starting on or after
IFRS 15 – Revenue from ordinary activities from contracts with customers	22.09.2016	01.01.2018
Amendment to IFRS 15 – Clarification	31.10.2017	01.01.2018

Standards, amendments or interpretations	Dates adopted by the European Union	Loxam application dates: financial year starting on or after
IFRS 9 Financial Instruments – Classification and measurement – amendments to IFRS 9, IFRS 7 and IAS 39 – general hedge accounting	22.11.2016	01.01.2018
Amendments to IFRS 2 – Classification and Measurement of Share-based Payment Transactions	20.06.2016	01.01.2018
Amendments to IFRS 4 – For insurance contracts: "Apply IFRS 9 financial instruments with IFRS 4"	03.11.2017	01.01.2018
Amendments to IAS 40 – Investment property	15.03.2018	01.01.2018
IFRIC Interpretation 22 – Foreign Currency Transactions and Advance Consideration	28.03.2018	01.01.2018
AIP (Annual improvements for 2014-2016): • IFRS 1 First-time Adoption of International Financial Reporting Standards – Deletion of short term exemptions for first-time adopters • IAS 28 Investments in Associates and Joint Ventures – Clarification that measuring investees at fair value through profit or loss is an investment – by – investment choice	08.12.2016	01.01.2018

Impact on consolidated financial statements for year 2018:

<u>IFRS 15, Recognition of revenue</u>:

On September 22, 2016, the European Union published IFRS 15 standard "Revenue from Contracts with Customers" in the Official Journal. This standard replaces the IAS 11 and IAS 18 standards and the associated IFRIC and SIC interpretations. This standard offers a new recognition approach for revenue, described in five stages.

Rental revenue represent the majority of the group's revenue and are not in the scope of the IFRS 15 standard as they are already covered by the accounting standard related to leases (IAS 17 at 31/12/18 and IFRS 16 from 01/01/19). In addition, with regards to the other revenue of the group and given the type of contracts within the group (mainly short-term), this standard has no impact on the group's results and financial situation.

The Group has applied IFRS 15 standard from January 1, 2018 using the simplified retrospective method: the 2018 financial statements have been prepared by applying IFRS 15 principles while the comparatives from 2017 have been retained according to the former standards.

<u>IFRS 9, Financial Instruments</u>:

On November 22, 2016, the European Union published IFRS 9 standard "Financial Instruments" in the Official Journal. The changes made by this standard include:

- a new approach to the classification and valuation of financial assets which reflects the management model as well as their contractual cash flows: loans and debt securities that are not considered "basic" in accordance with the standard (Solely Payments of Principal and Interest) will be measured at fair value through income, while the "basic" loans and debt securities are measured at amortised cost or at fair value by shareholders' equity; shareholders' equity instruments are measured at fair value through income or, by irrevocable option, at fair value by Other Comprehensive Income;

- a significantly reformed approach of hedge accounting allowing risk management to be better reflected, particularly in expanding the field of eligible hedging instruments. While awaiting a future standard on macro hedging, IFRS 9 makes it possible to maintain the current regulations (IAS 39) on hedge accounting to any hedging relations or macro-hedging relations only;

- a new model of depreciation which requires a faster recognition of expected credit losses. Specifically, the new standard requires entities to account for expected credit losses as soon as the financial instruments are accounted for and that expected losses are recognized for the entire life of the contract on a more regular basis.

The new IFRS 9 requires us to recognize an allowance for future expected credit losses at initial recognition and throughout the life of the trade receivable. Loxam has adopted an expected credit loss impairment model from January 1, 2018. The impact of the adoption of IFRS 9 was recognized as a transition adjustment to the opening equity at January 1, 2018 for an amount of €(1.2) million. No variation to this opening balance was booked at December 31, 2018.

The application of these standards and amendments did not have a material impact on the consolidated financial statements at December 31, 2018.

Amendments published by the IASB and applicable by anticipation:

The following standards, amendments or interpretations are not yet applicable or not applied in advance by the group:

Standards, amendments or interpretations	**Adoption in Europe**	**Loxam application dates: financial year starting on or after**
IFRS 16 – Leases contracts	31.10.2017	01.01.2019
IFRIC Interpretation 23 Uncertainty over Income Tax Treatments	24.10.2018	01.01.2019
Prepayment Features with Negative Compensation – Amendments to IFRS 9	22.03.2018	01.01.2019
IAS 28 - Investments in Associates and Joint Ventures	Adopted by E.U. end of 2018	01.01.2019

IFRS 16, Leases:

On October 31, 2017, the European Union published IFRS 16 standard "Leases" in the Official Journal, which replaces the IAS 17 standard and the associated IFRIC and SIC interpretations and removes the distinction previously made between simple leases and finance leases for the lessee. According to IFRS 16, a lessee employs a right-of-use asset and a financial debt representing the rental obligation. Right-of-use assets are amortised and the rental obligation is initially valued at the present value of lease payments during the lease, at the interest rate implicit in the lease if the rate can be readily determined, or the incremental borrowing rates. However, this standard is very close to the existing standard for the treatment of leases by the lessor.

The Group will adopt IFRS 16 using the simplified retroactive method and applying the exemptions allowed for short term contracts (less than 12 months on the date of first application) and low value assets.

The Group is in the process of listing all its lease contracts and of finalizing a first assessment of the likely impact of the new IFRS 16 standard for leases, which will be applied from January 1, 2019. Property leases will be the main contracts to be impacted by the standard.

Other standards and interpretations have not been applied by anticipation.

New standards, reviews of IFRS regulatory and statutory framework, as well as interpretations published by the IASB, but not yet applicable, or not applied in advance by the Group:

Standards, amendments or interpretations	Adoption in Europe	Application dates: financial year starting on or after
Plan Amendment, Curtailment or Settlement - Amendments to IAS 19	not yet adopted	01.01.2019
AIP IFRS 3 Business Combinations - Previously held Interests in a joint operation	not yet adopted	01.01.2019
AIP IFRS 11 Joint Arrangements - Previously held Interests in a joint operation	not yet adopted	01.01.2019
AIP IAS 12 Income Taxes - Income tax consequences of payments on financial instruments classified as equity	not yet adopted	01.01.2019
AIP IAS 23 Borrowing Costs - Borrowing costs eligible for capitalisation	not yet adopted	01.01.2019
IFRS 3 - Amendments	not yet adopted	01.01.2020
IAS 1 / IAS 8 - Amendments	not yet adopted	01.01.2020
Conceptual framework for the presentation of financial information	not yet adopted	01.01.2021
IFRS 17 – Insurance Contracts	not yet adopted	01.01.2021
Amendments to IFRS 19 & IAS 28 - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Postponed	Postponed

3.3 Presentation of the financial statements

The Group's consolidated financial statements are prepared on a historical cost basis, with the exception of certain categories of assets and liabilities, measured at fair value, in accordance with IFRS. The categories concerned are mentioned in the following notes.

The financial year-end for all the Group's subsidiaries and entities is December 31.

3.4 Consolidation principle

A subsidiary is an entity controlled by Loxam SAS. An entity's control is based on three criteria:

- Power over the entity, i.e. the ability to direct the activities with the greatest impacts on its profitability;
- Exposure to the entity's variable returns, which may be positive, based on dividends or any other economic benefits, or negative;
- Link between power and these returns, i.e. the ability to exercise power over the entity to influence the returns achieved.

The financial statements of subsidiaries are consolidated from the date on which the Group acquires effective control until such time as control is transferred outside the Group.

The consolidated financial statements include all of the subsidiary's assets, liabilities, income and expenses. Equity and income are shared between the owners of the Group and non-controlling interests.

Transactions between consolidated companies and intragroup profits are eliminated when preparing the consolidated financial statements.

An associate is an entity over which the Group has significant influence, without having control or joint control over financial and operational policies. The share in the associate's assets and liabilities, including goodwill, is presented on a separate line on the balance sheet.

3.5 Comparability of the financial statements

Considering the acquisitions of companies and businesses completed in 2018, Loxam's consolidated financial statements for 2018 include:

- 4 months of activity of NVA, acquired in June 2018 and merged into Loxam SAS on September 1, 2018,
- 6 months of activity of Nove, acquired at the end of June 2018,

Loxam's consolidated financial statements for 2017 took into account:

- 11 months of consolidation of Hune and Lavendon,
- 4 months of Cramo's Danish activities,
- 2 months of consolidation for Loxam Access SRL,
- 1 month of consolidation for Swan Hire.

Furthermore, Degraus was consolidated using the equity method until December 31, 2017 and then consolidated based on the full consolidation method since December 31, 2017.

3.6 Accounting judgments and estimates

To prepare the consolidated financial statements in accordance with IFRS, the Group makes a certain number of estimates and assumptions that are based on historical information and other factors, including expectations for future events that are considered reasonable in view of the circumstances.

The Group's estimates and judgments with the most significant impacts on the financial statements concern the following elements:

- Impairment tests for intangible assets with an indefinite useful life (primarily goodwill) (Note 5),
- Measurement of obligations relating to defined benefit plans (Note 16),
- Measurement of financial instruments at fair value (Note 14),
- Qualification of leases (Note 3.13),
- Purchase price allocation.

These estimates are based on the information available when they were prepared. They are continuously assessed based on past experience and various other factors that are considered to be reasonable, which form the basis for assessments of the book value of assets and liabilities. Estimates may be revised if the circumstances on which they were based change or new information becomes available. Actual results may differ significantly from these estimates depending on different conditions or assumptions.

3.7 Business combinations

(a) Business combinations

In accordance with IFRS 3, business combinations are accounted for on the acquisition date, which is the date when control is transferred to the Group.

Goodwill represents the fair value of the consideration transferred (including the fair value of any interest previously held in the company acquired), plus the amount recognised for any non-controlling interest in the company acquired, less the net amount recognised (generally at fair value) for the identifiable assets and liabilities assumed.

When the difference is negative, this is badwill, representing a profit resulting from acquisitions under preferential conditions. Badwill is recognised immediately in profit or loss.

The costs relating to the acquisition are expensed as incurred.

Corrections or adjustments may be made to the fair value of the assets and liabilities assumed and the consideration transferred within 12 months of the acquisition. As a result, the goodwill may be revised.

Contingent consideration relating to business combinations is measured at fair value on the acquisition date and subsequently measured at fair value at each future reporting date. After a one-year period from the acquisition date, any change in the fair value of the contingent consideration classified as a financial liability will be recognised in profit or loss. During this one-year period, any changes to this fair value explicitly related to events occurring after the acquisition date will also be recognised in profit or loss. Other changes will be recognised as adjustments to goodwill.

Goodwill is not amortized. In accordance with IAS 36 Impairment of Assets, it is subject to impairment tests at least once a year and more frequently if there are any indications of impairment.

The conditions for these tests are presented in Note 3.14.

(b) Commitment to buy out non-controlling interests (minority interests), entered into at the time of business combinations, if minorities do not retain current access to profits.

The anticipated acquisition method is applied: the deferred payment for the buyout commitment is recognised as a liability for the present value of the option’s exercise price. Goodwill is calculated taking into account the total percentage including the commitment to buy out the non-controlling interests.

(c) Commitment to buy out non-controlling interests (minority interests), entered into at the time of business combinations, if minorities retain current access to profits.

The deferred payment for the buyout commitment is recognised as a liability for the present value of the option’s exercise price. Subsequent changes in the value of the commitment are recognised in equity attributable to owners of the parent.

(d) Acquisition of non-controlling interests (minority interests), agreed on after business combinations:

For an additional acquisition of shares in an entity that is already controlled, the difference between the acquisition price of the shares and the additional consolidated equity interest acquired is recognised in equity attributable to owners of the parent, while keeping the consolidated value of the subsidiary's identifiable assets and liabilities, including goodwill, unchanged.

3.8 Foreign currency translation methods

(a) Transactions in foreign currencies

Transactions in foreign currencies are converted into euros based on the exchange rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are converted based on the exchange rate at the reporting date.

Profit and loss data denominated in foreign currencies are converted using the average rate for the period.

The resulting exchange gains or losses are recognised in profit or loss for the year under financial income and expenses.

(b) Financial statements in foreign currencies

The assets and liabilities of subsidiaries presented in foreign currencies are converted into euros based on the exchange rate at the reporting date. Income and expenses for these companies are converted into euros at the average exchange rate for the year. The resulting exchange gains or losses are recognised directly in other comprehensive income.

Exchange rates applied at 31 December 2018 (euro vs. currency):

1 EUR =	GBP	CHF	DKK	MAD	NOK	BRL
Closing date rate	0.8990	1.1255	7.4663	10.9579	9.9034	4.4465
Average rate	0.8848	1.1546	7.4528	10.8082	9.6042	4.3053
Opening date rate	0.8881	1.1703	7.4442	11.2218	9.8432	3.9785
(*) 1 EUR =	AED	SAR	QAR	BHD	OMR	COP
Closing date rate	4.2116	4.3021	4.1917	0.4323	0.4415	3,726.2700
Average rate	4.3349	4.4262	4.1658	0.4428	0.4534	3,444.0241
Opening date rate	4.4095	4.5018	4.3978	0.4526	0.4622	3,586.4100

3.9 Breakdown of current / non-current assets and liabilities

Under IAS 1, assets and liabilities are classified as "current" or "non-current".

Loxam applies the following rules for classifying the main balance sheet aggregates:

- Fixed assets are classified as "non-current",
- Assets and liabilities included in working capital requirements in connection with the business' normal operating cycle are classified as "current",
- All deferred tax assets and liabilities are presented as "non-current",
- All provisions are classified as "current",
- Financial liabilities are classified as "current" or "non-current", depending on whether they are due within or later than one year after the reporting date.

3.10 Fair value of financial assets and liabilities

Financial assets and liabilities – including derivatives – measured at fair value are categorized into three levels (1 to 3), each corresponding to a level of fair value observable inputs based on data used in the fair value measurement technique:

- Level 1: fair value determined based on quoted prices in active markets for identical assets or liabilities;
- Level 2: fair value estimated based on observable data for the asset or liability, either directly (i.e. prices) or indirectly (i.e. pricing-derived data);
- Level 3: fair value estimated using valuation techniques that include data relating to the asset or liability that are not based on observable market data.

Further information on the classification of financial instruments for each category is presented in Note 3.18 (Cash and cash equivalents) and Note 3.19 (Derivative financial instruments – relating to the interest rate risk).

3.11 Intangible assets and goodwill

(a) Goodwill

The goodwill resulting from acquisitions of subsidiaries is included in intangible assets. It represents an asset with an indefinite useful life. For the valuation of goodwill, see Note 3.7.

(b) Trademarks and client relationships

The application of IFRS 3 may lead to the allocation of an acquisition price to identified intangible assets such as trademarks and client relationships. These intangible assets are depreciated over 5 to 12 years. Trademarks are depreciated over 5 to 10 years and customer relationships over 8 to 12 years.

(c) Other intangible assets

Other intangible assets have a finite useful life and are recorded at their acquisition cost, after deducting accumulated amortization and impairment losses.

The amortization of intangible assets is recorded as an expense on a straight-line basis over the estimated useful life from the moment assets are brought into service.

These other intangible assets are primarily software products, amortized over one to three years.

3.12 Property, plant and equipment

Property, plant and equipment are recognised at their acquisition cost, after deducting accumulated depreciation and impairment losses. They are not revalued.

The cost includes the expenditure directly attributable to the asset's acquisition.
Depreciation charges for property, plant and equipment are calculated on a straight-line basis over the useful lives indicated below. Land is not depreciated.

- Buildings 10 to 50 years
- Building fixtures and fittings 5 to 20 years
- Tools 3 to 5 years

- Fleet equipment 3 to 15 years
- Other property, plant and equipment 2 to 5 years

Property, plant and equipment are depreciated from the moment they are brought into service.

A residual value is applied to some categories of equipment, in order to take into account the resale value of this equipment at the end of its life.

3.13 Leases

The Group holds finance leases in accordance with IAS 17.

Finance-leased fixed assets, transferring substantially all the risks and rewards of ownership of the leased asset to the Group, are recorded as assets on the balance sheet at the lower of the fair value of the equipment leased and the present value of minimum future lease payments. The corresponding liability is recorded as financial liabilities.

Lease payments are apportioned between financial expense and the reduction of the liability in order to obtain a constant periodic rate of interest on the remaining liability.

Finance-leased assets are depreciated over their useful life in accordance with the accounting policy applicable to the other property, plant and equipment (cf. Note 3.12- Property, plant and equipment).

Leases under which the lessor retains substantially all the risks and rewards of ownership of the asset are operating leases. Payments for these leases are recorded as expenses on a straight-line basis over the term of the lease.

3.14 Impairment of intangible assets and property, plant and equipment

Assets are reviewed at each reporting date to determine whether there are any indications of impairment. If such indications are identified, the asset’s recoverable amount is estimated.

Goodwill is tested annually and whenever indications of impairments arise.

To be tested, the assets that do not generate independent cash inflows are grouped in cash generating units (CGU), which correspond to the countries in which the Group operates. These countries may be grouped together by geographic area (aggregation of CGU’s), particularly for financial reporting. For impairment testing, the CGUs to which the goodwill is allocated are grouped together to ensure that the level at which impairment tests are carried out reflects the lowest level at which goodwill is monitored for internal management requirements. Goodwill acquired in connection with a business combination is allocated to the CGU that is expected to benefit from the synergies of the business combination.

The CGU’s recoverable amount is the higher of its fair value less costs of disposal and the value in use.

The value in use retained by the Group corresponds to the value of the future economic benefits expected to be earned from their use and disposal. It is assessed using the discounted cash flow (DCF) method, based on the following principles:

- The cash flows are based on the medium-term business plan (five years) drawn up by top management,
- The discount rate is determined based on the weighted average cost of capital for the business and the region concerned,
- The terminal value is calculated by discounting cash flows to infinity, based on standard cash flows and a perpetuity growth rate. The growth rate is consistent with the

development potential of the markets in which the Group operates, as well as its competitive position on these markets.

When the recoverable amount is lower than the net book value of the asset or the cash generating unit, an impairment is recognised in profit or loss.

Impairments recorded for goodwill are irreversible.

3.15 Financial assets

Financial assets include:

- Securities of non-consolidated companies,
- Security deposits paid,
- Cash management assets,
- Cash and cash equivalents.

Financial assets are measured and recognized in accordance with IAS 32 and IFRS 9.

Financial assets are initially recognised at their fair value.

Financial assets maturing in under one year are classified as current financial assets.

3.16 Inventories

Inventories primarily include trade products, parts and consumables. Inventories are measured using the weighted average cost method.

An impairment is recognised when the realisable value, less costs of disposal, is lower than the book value.

3.17 Trade receivables and other current assets

Trade receivables and other current assets are generally measured at their nominal value, when this is considered to be close to their fair value. Provisions for impairment are recorded for receivables when their recoverable value amount is lower than their book value.

3.18 Cash management assets and Cash and cash equivalents

In accordance with IAS 7 Statement of Cash Flows, the cash recorded in the consolidated cash flow statement includes cash at bank and on hand, bank credit balances and cash equivalents. Cash equivalents correspond to liquid short-term deposits that are easily convertible into a determinable amount of liquid assets and subject to an insignificant risk of changes in value.

Term deposits for over three months, which include options for early withdrawals at any time without notice, particularly to cover short-term cash commitments, are consistent with the definition of cash and cash equivalents from IAS 7 in the following cases:

- The capital is guaranteed even in the event of early withdrawal,
- No penalties are due in the form of payments to the financial institution managing the investment, or non-payment of part of the return on the investment. When the return is calculated based on the rate for the previous period or a reduced rate, without any significant change in the value of the amount of the return received, this is not

considered to be a penalty and does not call into question the investment's classification as cash and cash equivalents.

Cash management financial assets comprise money-market securities, bonds and shares in UCITS invested over a short-term management horizon that do not meet the criteria for being classified as cash equivalents under IAS 7. They are measured and recognised at fair value. Changes in fair value are recognised in profit or loss.

Purchases and sales of cash management financial assets are recognised on the transaction date.

Marketable securities classified as cash equivalents on the reporting date are recognised at fair value through profit or loss, with their fair value based on their net asset value.

3.19 Derivative financial instruments – relating to the interest rate risk

The Group holds interest rate swaps to reduce its net interest rate risk exposure.

These derivative financial instruments are initially recognised at their fair value. This fair value corresponds to Category 2 consistent with the definitions given in Note 3.10. Since the hedging relationship is not documented, changes in fair value are recognised in profit or loss.

3.20 Derivative financial instruments – relating to the foreign exchange risk

On an ad hoc basis, and consistent with its market forecasts, the Loxam Group uses financial instruments to reduce its net foreign exchange risk exposure, mainly on Pound Sterling, Danish krone and US Dollar. The Group primarily uses forward currency sales options.

As these instruments concern intra-group receivables, which are eliminated in the consolidated financial statements, the Group has not opted to apply hedge accounting. These foreign exchange derivative instruments are recognised at fair value on the balance sheet. Fair value adjustments are recognised in profit or loss.

3.21 Net investment hedge (NIH)

Net investment hedging is a hedge against foreign exchange changes in a net investment in a foreign operation as designated by the parent company. The net investment is hedged by a financial debt contracted in the same currency that of the investment. The "efficient" part of the net investment hedge is recorded as adjustments to equity reserves. These adjustments are reversed into profit or loss upon termination of the net investment hedge. The termination of hedge accounting may result from:

- the disappearance of the hedged item: the amounts recorded in the shareholders' equity are transferred to profit or loss;
- the voluntary termination of the net investment hedging: the corresponding balances recorded in the equity reserves are taken to profit or loss on a straight-line basis based on the residual life of the underlying item.

The Lavendon Group controls entities whose functional currency is the euro (Dk Rental NV in Belgium) and the dollar (Rapid Access WLL in Bahrain); these companies are classified as "foreign operations" in accordance with IAS 21.

The Lavendon Group hedges its net investment in these companies with a debt in euros and dollars and designates this hedging relationship as a "net investment hedge" (NIH).

As a result of the Lavendon Group acquisition, debts in euros and dollars were taken over by the Loxam Group and an intercompany euro and dollar financing was set up between Loxam and Lavendon.

In accordance with IFRIC 16 section 12, a foreign exchange risk may be hedged as part of a net investment hedge when the functional currency of a foreign operation is different from the functional currency of one of the parent entities of this foreign operation.

Accordingly, from the date of acquisition of the Lavendon Group, the Loxam Group decided to maintain the net investment hedge in the Lavendon sub-group for its foreign operations: Lavendon Access Services SAS, Dk Rental NV and Rapid Access WLL. The intercompany loan set up by Loxam SAS for the Lavendon sub-group presents similar characteristics to those of the external loans.

As of April 1, 2018, the group has decided to stop the net investment hedge following the completion of the Lavendon's group restructuring. (Lavendon Access Services SAS merged into Loxam SAS on April 1, 2018). From this date, foreign exchange differences have been recognized in the income statement.

3.22 Employee benefits

Under IAS 19 (revised), all current and future benefits or compensation acquired by employees in return for services rendered during the current period and prior periods must be recognised as an expense over the period when rights are vested.

In accordance with the laws and practices in each country where it operates, the Group is part of various plans for retirement and post-employment benefits.

(a) Defined contribution plans

For defined contribution plans, the Group has no obligations other than the payment of contributions. The contributions paid in to plans are recognised as expenses for the period. Where applicable, provisions are recorded for contributions not made during the period.

(b) Defined benefits plans

Retirement and related benefits under defined benefit plans are subject to provisions based on an actuarial calculation carried out at least once a year in accordance with IAS 19 (revised).

To assess retirement benefits, the projected unit credit method is applied: each period of service gives rise to an additional unit of benefit entitlements, and each unit is valued separately to determine the obligation in relation to employees.

The calculations consider the specific features of the various plans, as well as the assumptions for retirement dates, career development and wage increases, and the probability of employees still being employed by the Group when they reach retirement age (informed by staff turnover, mortality tables, etc.). The present value of the obligation is determined based on the interest rates for long-term bonds from top-tier issuers.

An employee benefit liability is recorded for the obligation net of any plan assets measured at fair value.

The net expenses for retirement and related benefits are recognised in operating profit for the period in relation to the cost of services provided during the period. The net financial cost is recognised in financial income and expenses.

Under IAS 19R, the actuarial gains or losses generated by changes in assumptions on the net defined benefit liability or differences between interest income and the actual returns on plan financial assets are recognised immediately in other comprehensive income and cannot be recycled to profit or loss.

(c) Other long-term benefits

Certain other long-term benefits are also subject to provisions, which are determined with a similar actuarial calculation to that applied for defined benefit plans.

These benefits primarily concern jubilee awards. Remeasurements of the obligation are recognised in profit or loss.

3.23 Provisions

In accordance with IAS 37 Provisions, Contingent Liabilities and Contingent Assets, a provision is recorded when, on the reporting date, the Group has an obligation (legal or implied), it is probable that an outflow of resources representing economic benefits will be required to extinguish this obligation, and the amount of the obligation can be estimated reliably.

These provisions are estimated taking into account the most probable assumptions on the reporting date.

3.24 Borrowings and financial debt

Interest-bearing liabilities are initially measured at their fair value, less any directly attributable transaction costs. Subsequently, borrowings and financial debt are measured at their amortized cost using with the effective interest rate method.

The Loxam Group regularly issues loans on the bond market in order to finance its acquisitions. As part of its policy aimed at renewing its debt, the Group's Finance Division weighs up the renewal of tranches reaching maturity at least two years before the redemption term.

From 2016, the effective interest rate on bond loans has been calculated over the term of the loan less two years.

3.25 Trade payables and related

Trade and other payables are recorded at their nominal value, which corresponds to their fair value.

3.26 Tax

Income tax includes both current and deferred tax.

Current tax corresponds to the cumulative amount of corporate income tax payable on taxable income for all the Group's companies and is determined using the tax rates adopted on the reporting date.

There are two tax consolidations within the Group: one for the French companies, with Loxam SAS as head of the group, and one for the Danish companies.

Deferred tax is recorded, using the accrual method, generally for temporary differences on the reporting date between the taxable base for assets and liabilities and their book value on the balance sheet.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the assets will be realized or the liabilities settled, based on the tax rates – and tax regulations – that have been enacted or substantively enacted at the reporting date.

In the event of deductible temporary differences and tax losses, deferred tax assets are recognised for the amount of the deferred tax liabilities whose repayment will make it possible to allocate these tax losses, and beyond that if it is likely that the Group will have future taxable profits.

Deferred taxes are recorded for each entity. Deferred tax assets and liabilities are offset on the balance sheet when taxes are levied by the same tax authority and they relate to the same taxable entity.

Taxes relating to elements recorded in other comprehensive income are recognised in other comprehensive income and not in profit or loss.

The Group does not consider the French CVAE business value-added tax to be an income tax under IAS 12 and accounts for it as taxes other than on income.

3.27 Revenue

Revenue comprises income from equipment rental, services and sales related to rental activities (transportation, damage waivers, labor charges invoiced for repairs) and sales of goods.

Rental revenue

Revenue generated from equipment rental is recognized straight line over the rental period. Contract durations can vary from one day to a few months but are mostly short-term. The contract ends upon the equipment return.

Additional services to the equipment rental and other services

Additional services mainly concern transportation, damage waivers, labor charges invoiced for repairs. Other services comprise training and repair recharges (including spare parts). These services are recognized at the end of the service completion. Revenue linked to fuel consumption is recognized upon the equipment return.

Retail revenue and sale of equipment

Revenue from retail activities and sale of equipment is recognized upon delivery to the customer.

3.28 Other income

Other income primarily concerns net capital gains on disposals of assets in connection with the Group's normal operating cycle.

3.29 Other current expenses

Other current expenses primarily include external services (particularly subcontracted maintenance and transportation costs, property and real estate rentals, and general administrative costs), in addition to losses on receivables net of changes in provisions.

3.30 Other operating income and expenses

Other operating income and expenses concern items that involve a very limited number of occurrences, that are unusual, abnormal and uncommon and that involve particularly significant amounts, which the company presents separately in profit or loss to make it easier to understand recurring operational performance.

3.31 Financial income and expenses

Financial income primarily concerns interest on investments.

Financial expenses primarily concern interest on bonds, bilateral loans and leasing, amortized cost related to bonds, as well as changes to the fair value of financial instruments,.

Exchange gains and losses are recorded as financial income or expenses consistent with fluctuations in foreign currencies resulting in gains or losses.

Note 4 – Scope of consolidation

Legal entities	SIREN number (France) or country	% of control	% of interest	Consolidation method
SAS LOXAM	**450776968**	**100%**	**100%**	**Parents**
SAS LOXAM MODULE	433911948	100%	100%	Full
SAS LOXAM POWER	366500585	100%	100%	Full
LOXAM GMBH	Germany	100%	100%	Full
LOXAM S.A.	Switzerland	100%	100%	Full
LOXAM S.A.	Belgium	100%	100%	Full
LOXAM RENTAL SARL	Luxembourg	100%	100%	Full
LOXAM LTD	Ireland	100%	100%	Full
LOXAM ALQUILER(a)	Spain	—	—	—
LOXAM BV (b)	Netherlands	100%	100%	Full
WORKX HOLDING BV(b)	Netherlands	—	—	—
WORKX MATERIEELVERHUUR BV(b)	Netherlands	—	—	—
ATLAS RENTAL	Morocco	100%	51%	Full
LOXAM HOLDING A/S	Denmark	100%	100%	Full
LOXAM A/S	Denmark	100%	100%	Full
LOXAM AS	Norway	100%	100%	Full
DEGRAUS	Brazil	100%	50.1%	Full
SCI AVENUE ARISTIDE BRIAND	384564472	100%	100%	Full
SCI EST POSE	340583160	100%	100%	Full
SAS LOXAM GRANDE ARMEE	572045953	100%	100%	Full
EURL NORLEU (c)	409981024	—	—	—
SCI TARTIFUME	328948013	100%	100%	Full
SCI THABOR	332962125	100%	100%	Full
LOXAMAM	799097944	100%	100%	Full
HUNE RENTAL S.L.	Spain	100%	100%	Full
HUNE ALUGUER LDA	Portugal	100%	100%	Full
GRUAS Y EQUIPOS HUNE	Colombia	100%	50%	Full
HUNE SICO LLC	Saudi Arabia	100%	49%	Full
LAVENDON HOLDINGS LTD	United Kingdom	100%	100%	Full
ZOOOM HOLDINGS LTD	United Kingdom	100%	100%	Full
ACCESS SOLUTIONS LTD	United Kingdom	100%	100%	Full
LAVENDON ACCESS SERVICES LTD	United Kingdom	100%	100%	Full
ZOOOM LTD	United Kingdom	100%	100%	Full
NATIONWIDE PLATFORMS LTD	United Kingdom	100%	100%	Full
LOGICAL COMMERCE LTD	United Kingdom	100%	100%	Full
PANTHER PLATFORM RENTALS LTD	United Kingdom	100%	100%	Full
AMP ACCESS LTD	United Kingdom	100%	100%	Full
BLUE SKY TOPCO LTD	United Kingdom	100%	100%	Full
BLUE SKY SOLUTIONS LTD	United Kingdom	100%	100%	Full
RAPID JERSEY (N°2) LTD	United Kingdom	100%	100%	Full
ZOOOM STERLING LTD	Jersey	100%	100%	Full
ZOOOM EURO LTD	Jersey	100%	100%	Full
ZOOOM DOLLAR LTD	Jersey	100%	100%	Full
LAVENDON ACCESS SERVICES SAS (d)	France	—	—	—
DK RENTAL NV	Belgium	100%	100%	Full
RAPID ACCESS BV	Netherland	100%	100%	Full
RAPID ACCESS LLC (e)	United Arab Emirates	100%	49%	Full
RAPID ACCESS WLL (f)	Bahrain	100%	49%	Full
RAPID ACCESS LTD (g)	Saudi Arabia	100%	52%	Full
RAPID ACCESS LLC (h)	Oman	100%	34%	Full
RAPID ACCESS MIDDLE EAST LLC (i)	United Arab Emirates	100%	100%	Full
RAPID ACCESS TRADING BAHRAIN WLL (j)	Bahrain	100%	100%	Full
LOXAM ACCESS SRL (k)	Italia	100%	80%	Full
NOVE SRL (k)	Italia	—	—	—
SWAN PLANT HIRE	Ireland	100%	100%	Full
LIR HOLDINGS LTD	Ireland	100%	100%	Full

(a) Merger of Loxam Alquiler into Hune Rental SLU on April 1, 2018. The merger has a retroactive effect as at January 1, 2018.

(b) Merger of Workx Materieelverhuur BV and Workx Holding with Loxam BV on June 1, 2018. The merger has a retroactive effect as at January 1, 2018.

(c) On December 30, 2018, the net assets of EURL Norleu have been fully transferred into Loxam.

(d) Merger of Lavendon Access Services SAS ("Lavendon France") into Loxam SAS on April 1, 2018.

(e) Rapid Access BV has a 49% interest in the shares of Rapid Access LLC (UAE). The Company has a right to give directions with respect to the operating and financial policies of Rapid Access LLC (UAE) and thus is considered to have control. Rapid Access LLC (UAE) is treated as a wholly owned subsidiary for the group's accounting purposes.

(f) Lavendon Access Services LTD has a 49% interest in the shares of Rapid Access WLL. The Company has a right to give directions with respect to the operating and financial policies of Rapid Access WLL and thus is considered to have control. Rapid Access WLL is treated as a wholly owned subsidiary for the group's accounting purposes.

(g) Rapid Access WLL and Lavendon Access Services LTD, jointly owned 100% interest in the shares of Rapid Saudi Arabia LTD. The Company as a right to give directions with respect to the operating and financial policies of Rapid Saudi Arabia LTD and thus is considered to have control. Rapid Saudi Arabia LTD is treated as a wholly owned subsidiary for the group's accounting purposes.

(h) Rapid Access WLL has a 70% interest in the shares of Rapid Access LLC (Oman). The Company has a right to give directions with respect to the operating and financial policies of Rapid Access LLC (Oman) and thus is considered to have control. Rapid Access LLC (Oman) is treated as a wholly owned subsidiary for the group's accounting purposes.

(i) Rapid Access Middle East LLC has a 100% interest in the shares of Rapid Access Trading Bahreïn WLL.

(j) Company created in the fourth quarter of 2018.

(k) Loxam Access SRL acquired No.Ve. S.r.l. ("Nove") on June 21, 2018. Nove merged into Loxam Access SRL on December 21, 2018.

Note 5 – Intangible assets and goodwill

Changes in intangible assets and goodwill in 2018

	Intangible assets	Goodwill	Total
		(€'000)	
Net book value at beginning of year	**81,255**	**1,252,634**	**1,333,889**
Changes in scope	11	4,680	**4,691**
Increase	4,107	275	**4,382**
Amortization and depreciation of the year (a)	(12,051)	(608)	**(12,659)**
Loxam Access SRL PPA Allocation	2,500	(2,000)	**500**
Decrease / disposals (b)	(1,695)	(138)	**(1,833)**
Reclassification	1,725	0	**1,725**
Exchange gains or losses	(843)	(2,566)	**(3,409)**
Net book value at end of year	**75,009**	**1,252,277**	**1,327,286**

(a) The impairment of goodwill relates to Hune Pronto Rental for €608k.

(b) The liquidation of Workx Sloop-en Graafdiensten BV resulted in the write-off of its goodwill for €138k.

Impact of changes in scope on goodwill in 2018

The impact of changes in scope mainly concerns Nove (merged on December 31, 2018 into Loxam Access SRL) and NVA, which accounted for impacts of €4,071k and €450k, respectively.

These two acquisitions have no significant impact on the main aggregates of the group and do not require the establishment of pro forma accounts.

Changes in intangible assets and goodwill in 2017

	Intangible assets	Goodwill	Total
		(€'000)	
Net book value at beginning of year	**1,459**	**967,517**	**968,976**
Changes in scope	91,555	300,743	**392,298**
Increase	4,049	0	**4,049**
Amortization and depreciation of the year	(13,471)	0	**(13,471)**
Decrease / disposals	0	(5,934)	**(5,934)**
Reclassification	603	0	**603**
Exchange gains or losses	(2,941)	(9,691)	**(12,632)**
Net book value at end of year	**81,255**	**1,252,634**	**1,333,889**

Trademarks and customer relationships

The purchase price for the following acquisitions was allocated to the following intangible assets and valued as follows at December 31, 2018:

	Trademarks	Customer Relationships	Total
		(€'000)	
Lavendon Group	13,613	43,353	**56,966**
Hune Group	1,702	4,947	**6,649**
Loxam Access SRL	734	1,385	**2,119**
Net value at end of period ended December 31, 2018	**16,048**	**49,685**	**65,734**

Note that the trademark Lavendon France has been fully depreciated for €609k.

Impact of changes in scope on goodwill in 2017:

	Total
	(€'000)
Lavendon Group	256,239
Hune Rental	30,145
Loxam Access SRL	13,175
Swan	1,185
Total changes in scope	**300,743**

At December 31, 2017, the purchase price allocation exercise of Lavendon and Hune Groups enabled the identification and valuing of the following intangible assets:

	Trademarks	Customer Relationships	Total
		(€'000)	
Lavendon Group	16,168	48,173	64,341
Hune Group	2,253	5,759	8,012
Net value at end of period ended December 31, 2017	**18,421**	**53,932**	**72,353**

Goodwill impairment tests:

Goodwill and other intangible assets with an indefinite useful life acquired through business combinations are allocated to the CGUs for impairment testing. The CGUs correspond to the countries where the Group operates. For financial reporting, the Group has combined its CGUs for each region: France and International.

Allocation of goodwill for each CGU group:

	31.12.17	31.12.18
	(€'000)	
France	820,486	839,830
International	432,148	412,448
TOTAL	**1,252,634**	**1,252,278**

Goodwill is tested at least once a year and whenever indications of impairment arise. The last test was performed in December 2018.

In these tests, the book value of the net asset, including goodwill allocated to a CGU, is compared with its recoverable amount. The recoverable amount is determined using the "Discounted Cash Flow" method. The cash flow forecasts used for the calculations are based on amounts from the following year's budget approved by management, and forecasts for the next four years.

The cash flow forecasts covering a five-year period are based on experience and development forecasts for the markets in which the Group operates. Cash flows are calculated net of tax and discounted to their present value with a discount rate reflecting the risks associated with the cash flows. The discount rates correspond to the weighted average cost of capital (WACC) calculated for each CGU, in line with the sector's financial structure and market data.

Following the result of this test, the goodwill of Hune Pronto rental was depreciated for an amount of €608k. For the other entities of the group, no impairments were recorded since the recoverable value exceeded the book value for each CGU.

The following assumptions, considered to be key assumptions, were used to calculate the discounted value of cash flow forecasts for the CGUs:

%	31.12.17 Perpetuity growth rate	31.12.17 Discount rate	31.12.18 Perpetuity growth rate	31.12.18 Discount rate
France	1.5%	6.97%	1.5%	6.61%
International	1.5% to 5%	6.2% to 11.6%	1.5% to 7%	6.2% to 13.3%

Perpetuity growth rate: The perpetuity growth rate reflects a moderate level of inflation expected for the entire region in which the Group operates.

Discount rate: The cash flow forecasts are discounted with a specific rate for each CGU. The weighted average cost of capital (WACC) represents the discount rate. To determine the specific rate for each CGU, the specific risk for each country is taken into account, including assumptions for fluctuations in inflation and/or exchange rates.

Sensitivity analysis regarding the key assumptions: the amounts presented below include the value assigned to the main parameters, for each assumption taken separately, for which the book value is equal to its recoverable amount. In the sensitivity analysis, the parameters for the perpetuity growth rate and discount rate are modified independently, while holding the other assumptions constant.

Sensitivity tests: value of the parameter to reach the book value:

%	31.12.17 Perpetuity growth rate	31.12.17 Discount rate	31.12.18 Perpetuity growth rate	31.12.18 Discount rate
France	-3.4%	10.4%	-2.8%	9.7%
International	-3.8%	10.6%	-7.8%	12.5%

Note 6 – Property, plant and equipment

Change in property, plant and equipment in 2018

	Rental equipment	**Other**	**Total**
		(€'000)	
Net value at beginning of year	**1,134,278**	**98,319**	**1,232,597**
Changes in scope	10,893	469	**11,362**
Increase	373,414	33,861	**407,274**
Amortization and depreciation of the year	(255,107)	(22,237)	**(277,345)**
Decrease / disposals	(16,718)	(2,124)	**(18,841)**
Reclassification	1,543	(1,697)	**(154)**
Exchange gains or losses	(310)	117	**(193)**
Net value at end of year	**1,247,993**	**106,708**	**1,354,701**

Change in property, plant and equipment in 2017

	Rental equipment	Other	Total
		(€'000)	
Net value at beginning of year	**552,722**	**77,322**	**630,044**
Changes in scope	400,231	13,020	**413,251**
Increase	420,584	30,642	**451,227**
Amortization and depreciation of the year	(208,164)	(19,716)	**(227,880)**
Decrease / disposals	(12,148)	(1,745)	**(13,893)**
Reclassification	(200)	(401)	**(602)**
Exchange gains or losses	(18,747)	(803)	**(19,550)**
Net value at end of year	**1,134,278**	**98,319**	**1,232,597**

(a) Including the acquisition of the rental equipment of the Cramo Group's Danish operations for €21.0 m.

Note 7 – Investments in associates

Gross and net values

	Associates 31.12.17	Associates 31.12.18
	(€'000)	
Value at beginning of year	**9,738**	—
Increase in capital of associates		
Group share in earnings for the year	(1,306)	
Dividends paid		
Changes in scope	(8,432)	
Exchange gains or losses		
Value at end of year	—	—

In October and December 2017, Loxam Group increased its stake in Degraus by 24.4%, bringing its total ownership stake to 50.1% as at December 31, 2017. This controlling interest in the company resulted in a change in the consolidation method (full consolidation from December 31, 2017).

Note 8 – Financial assets

Change of Financial assets in 2018

This heading primarily concerns security deposits paid, mainly in connection with branch real estate leases.

	Loans and other borrowings (a)	Other non-current financial assets	Total
		(€'000)	
Gross and net value at beginning of year	**15,614**	**12**	**15,626**
Changes in scope	(63)		**(63)**
Increase	726		**726**
Decrease	(1,639)		**(1,639)**
Exchange gains or losses	(269)		**(269)**
Gross and net value at end of year	**14,369**	**12**	**14,381**

Change of Financial assets in 2017

	Loans and other borrowings (a)	Other non-current financial assets	Total
		(€'000)	
Gross and net value at beginning of year	**9,907**	**12**	**9,919**
Changes in scope	4,692		**4,692**
Increase (a)	1,887		**1,887**
Decrease	(863)		**(863)**
Exchange gains or losses	(8)		**(8)**
Gross and net value at end of year	**15,614**	**12**	**15,626**

(a) Including the deposits from Cramo's Danish operations of €0.5 million.

Note 9 – Inventories

	31.12.17	31.12.18
	(€'000 – Net value)	
Trade	12,534	12,024
Parts and consumables	16,781	18,759
Total	**29,315**	**30,782**

Note 10 – Trade and other receivables

	31.12.17	31.12.18
	(€'000)	
Gross value	436,264	474,295
Impairment	(65,422)	(85,798)
Total trade and other receivables	**370,842**	**388,497**
Not past due	60%	60%
Past Due < 30 days	22%	18%
Past Due 30 to 60 days	8%	8%
Past Due > 60 days	10%	14%

Note 11 – Income tax receivables and other current assets

	31.12.17	31.12.18
	(€'000)	
Income tax receivables	19,380	12,256
Prepaid expenses	14,988	15,371
Other receivables	49,712	40,843
Other current assets	64,701	56,215
Total income tax receivables and other current assets	**84,081**	**68,470**

Note 12 – Cash management assets, cash and cash equivalents

	31.12.17	31.12.18
	(€'000)	
Other marketable securities	89	352
Cash	117,455	143,437
Total	**117,544**	**143,789**

Marketable securities comprise cash investment funds (SICAV), as well as term accounts and deposits in line with the IAS 7 definition of cash and cash equivalents (cf. Note 3.18).

Note 13 – Shareholders' equity

The share capital amounts to €229,818,150, split into 22,981,815 shares with a par value of €10. It is fully paid up.

The dividend paid per share amounted to €0.30 in 2018 compared to €0.21 in 2017.

Note 14 – Financial risk management – Financial instruments

Financial instruments relating to interest rate risk:

As indicated in Note 3.19, the interest rate swaps entered into by the Group are classified as derivative financial instruments. No new contracts were entered into in 2017 and 2018.

At December 31, 2018, these agreements relate to a notional amount of €36.5 million against the 3 month Euribor, with the next maturity date in January 2019 and a maximum maturity date of July 2022. At December 31, 2017 these agreements had a notional amount reaching €81.9 million.

At December 31, 2018, the fair value of these derivative instruments amounts to €1,400k, compared to €2,855k at December 31, 2017. Fair value adjustments are accounted for in financial incomes for an amount of €1,455k in 2018 and €1,999k in 2017.

The fair value is estimated based on forecasts of observable interest rates on the derivatives market and classified as Level 2 in accordance with the classification presented in Note 3.10.

Financial instruments relating to foreign exchange risk:

As indicated in Note 3.20, foreign currency put options entered into by the Group are classified as derivative financial instruments.

Loxam SAS held forward contracts on the Pound Sterling for GBP 74,872k at December 31, 2018, compared to GBP 100,000k at December 31, 2017. Loxam SAS held forward contracts on the US Dollar for USD 7,000k at December 31, 2018 compared to USD 16,000k at December 31, 2017. Loxam stopped hedging on the Danish krone in 2018 (the amount hedged was DKK 15,000k as at December 31,2017).

The fair value of these financial instruments is a liability of € 913k at December 31, 2018, compared to an asset of €1,181k at December 31, 2017. The change in fair value between December 31, 2017 and December 31, 2018 is accounted as a financial loss for an amount of €2,095k against a financial income of €1,157k in 2017.

The fair value is estimated based on forecasted exchange rates observable on the currency market and is classified as Level 2 in accordance with the classification presented in Note 3.10.

Change in the valuation of financial instruments in 2018:

	Interest Rate swaps	Exchange rate hedging	Financial instruments
		(€'000)	
Fair value level	Level 2	Level 2	
Value at beginning of year	**2,855**	**1,181**	**1,674**
Changes in scope			
Acquisition			
Value adjustment	(1,455)	2,095	**640**
Value at end of year	**1,400**	**913**	**2,313**

Derivatives instruments included in the assets	**—**
Derivatives instruments included in the liabilities	**2,313**

Change in the valuation of financial instruments in 2017:

	GBP Option	Interest Rate swaps	Exchange rate hedging	Financial instruments
		(€'000)		
Fair value level	Level 2	Level 2	Level 2	
Value at beginning of year	**(741)**	**4,854**	**(24)**	**4,089**
Changes in scope				
Acquisition				
Value adjustment	741	(1,999)	(1,157)	**(2,415)**
Value at end of year	**0**	**2,855**	**1,181**	**1,674**

Derivatives instruments included in the assets	**1,181**
Derivatives instruments included in the liabilities	**2,855**

Net investment hedge

As indicated in Note 3.21, following the acquisition of the Lavendon Group, the Loxam Group maintained the net investment hedge applied in the Lavendon "foreign operations" sub-group until March 31, 2018.

The amount recorded in OCI as a net investment hedge amounted to €238k at December 31, 2018 and concerned the period from January 1, 2018 to March 31, 2018. From this date, exchange differences are recognized in the income statement.

Liquidity risk information

Liquidity risk is managed by Loxam's Finance Department, which provides subsidiaries with access to adequate short or long-term financing facilities.

The subsidiaries can look to local financing to fund their investments; in this case, these agreements are validated by the Group's Finance Department.

Liquidity is optimised at the parent company level through investment tools with capital guarantees (particularly marketable securities or instant access term deposit accounts).

Transfers between the parent company and its subsidiaries are covered by cash management agreements or loan agreements. The group is subject to financial ratios pursuant to its bond issuances. At December 31, 2018, the Group is in compliance with these ratios.

Credit risk information

The Loxam Group put in place a credit management policy enabling it to ensure the financial solvency of its customers.

Outstanding balances are monitored with regular reports and financial information concerning customers is tracked daily. Provisions are recorded in the accounts for uncollectible amounts at each month end.

Note 15 – Borrowings and financial debt

Breakdown of current and non-current financial debt:

	31.12.17	**31.12.18**
	(€'000)	
Bond (a)	1,631,419	1,552,170
Bilateral and bridge loans net of issuance costs	256,027	305,570
Lease debt	150,043	205,289
Non-current financial debt	**2,037,490**	**2,063,029**
Short-term bilateral loans	108,584	103,523
Short-term lease debt	68,610	88,043
Other financial debt	23,064	22,567
Current bank borrowings	961	2,371
Current financial debt	**201,218**	**216,504**
Financial debt	**2,238,708**	**2,279,533**

(a) Net of bond issue costs.

Breakdown of financial debt by interest rate

	31.12.17	31.12.18
	(€'000)	
Variable-rate debt	349,049	379,967
Fixed-rate debt	1,888,402	1,896,900
Bank overdrafts	961	2,371
Other	296	295
TOTAL	**2,238,708**	**2,279,533**

Breakdown of financial debt by maturity

	31.12.17	31.12.18
	(€'000)	
< 1 year	201,218	216,504
1 to 5 years	1,242,959	1,518,329
> 5 years	794,531	544,700
TOTAL	**2,238,708**	**2,279,533**

Change in borrowings and financial debt

Changes in 2018

	Beginning of year	Change in scope	Increase	Decrease	Other	Year-end
			(€'000)			
Bond issues	1,631,419			(85,000)	5,751	1,552,170
Bilateral loans	364,611		325,630	(279,459)	(1,690)	409,093
Lease debt	218,653	795	166,640	(92,384)	(372)	293,332
Other financial debt	24,024				914	24,938
TOTAL	**2,238,708**	**795**	**492,270**	**(456,843)**	**4,603**	**2,279,533**

Changes in 2017

	Beginning of year	Change in scope	Increase	Decrease	Other	Year-end
			(€'000)			
Bond issues	901,969		834,781	(110,700)	5,370	1,631,419
Bridge loan			779,280	(779,280)		—
Bilateral loans	244,679	2,288	174,503	(56,559)	(301)	364,611
Lease debt	143,737	19,211	130,386	(74,500)	(181)	218,653
Other financial debt	6,252	3,422		(1)	14,351	24,024
TOTAL	**1,296,637**	**24,921**	**1,918,950**	**(1,021,040)**	**19,239**	**2,238,708**

Note 16 – Employee benefits

	31.12.17	31.12.18
	(€'000)	
Net Defined Benefit Obligation	16,608	11,111
Reconciliation of the commitment and the provision		
Commitment	30,178	13,271
Plan assets	(13,570)	(2,160)
Net Defined Benefit Obligation at year-end	**16,608**	**11,111**
Movement in Defined Benefit Liability		
Net Defined Benefit Liability at beginning of year	**18,716**	**16,608**
Expense for the financial year	1,143	(3,378)
Recognition of actuarial gains or losses through OCI	(3,568)	(2,269)
Benefits or contributions paid by the employer	(1,025)	(906)
Exchange gains or losses	(111)	58
Changes in scope	1,454	997
Net Defined Benefit Obligation at year-end	**16,608**	**11,111**
Breakdown of the expense for the financial year		
Current service cost	779	1,046
Other	52	(41)
Interest cost	312	202
Gain related to contract amendment (a)		(4,585)
Expense for the year	**1,143**	**(3,378)**

(a) Since January 1, 2018, employees of Loxam BV have been transferred to a defined contribution plan (DC). All financial risks of the old defined benefit plan (DB) have been outsourced. There is no longer commitment on this plan and the gain related to the amendment of the contract has been recorded into the other operational incomes for €4,585k.

The provisions for employee benefits concern retirement benefits for €10,220k at December 31, 2018 compared to €14,291k at December 31, 2017, and jubilee awards for €891k at December 31, 2018 compared to €2,317k at December 31, 2017.

	31.12.17		31.12.18	
Actuarial assumptions used	**France**	**International**	**France**	**International**
Discount rate (a)	1.75	0.6 to 2.25	2.00	1.00 to 2.00
Salary increase rate	1.50	0.00 to 4.6	1.50	0.00 to 4.6
Inflation rate	1.75	0.60 to 1.75	1.75	0.60 to 1.75
Mortality table	THTF 00-02	Depending on the country	THTF 00-02	Depending on the country
Retirement age	65	62 to 70	65	62 to 70

(a) Discount rate retained: Mercer Pension Yield Curve Eurozone.

Schedule of future payments over ten years	**31.12.17**	**31.12.18**
Less than 1 year	494	324
More than 5 years	9,726	5,614

Sensitivity Analysis – Changes in the defined benefit obligation as %	**31.12.17**	**31.12.18**
Discount rate +0.5%	-11%	-10%
Discount rate -0.5%	9%	4%

Note 17 – Provisions

Change in provisions in 2018:

	Provisions for contingencies	Provisions for charges	Total
		(€'000)	
Balance at beginning of year	**6,857**	**4,388**	**11,245**
Changes in scope	7	(49)	**(42)**
Allocations	2,086	906	**2,993**
Reversals	(1,706)	(2,005)	**(3,712)**
Reclassifications (a)	(285)	899	**614**
Balance at end of year	**6,959**	**4,139**	**11,098**

(a) Relate to exchange differences (mainly Degraus) and a provision for the refurbishment work amounted to €(1,106)k.

Change in provisions in 2017:

	Provisions for contingencies	Provisions for charges	Total
		(€'000)	
Balance at beginning of year	**3,909**	**1,039**	**4,948**
Changes in scope	3,072	3,286	**6,358**
Allocations	1,921	1,006	**2,926**
Reversals	(2,025)	(942)	**(2,967)**
Reclassifications	(19)	(1)	**(20)**
Balance at end of year	**6,857**	**4,388**	**11,245**

Note 18 – Trade payables and other current liabilities

	31.12.17	31.12.18
	(€'000)	
Trade payables	120,615	132,547
Payables to fixed asset suppliers	67,566	69,663
Trade payables and related	**188,181**	**202,210**
Corporate income tax liabilities	**7,958**	**3,706**
Tax and social security liabilities	111,149	115,035
Other liabilities	22,412	19,094
Accrued income	1,839	1,333
Other liabilities and accruals	**135,400**	**135,462**
Total current liabilities	**331,540**	**341,378**

Note 19 – Personnel expenses

	31.12.17	31.12.18
	(€'000)	
Salaries	277,573	288,989
Payroll taxes	81,927	89,542
Employee profit-sharing	611	2,767
Total personnel expenses	**360,111**	**381,298**
Average headcount	7,900	7,928

The French tax credit, "Crédit d'Impôt Compétitivité Emploi (C.I.C.E.)", is deducted from payroll taxes.

Note 20 – Other operating income and expenses

At December 31, 2018 the other operating incomes amounted to €5,530k and are related to the gain on pension contribution contracts requalification.

The other operating expenses amounted to €5,302k and resulted from fees incurred for the acquisition of Nove, NVA and UK Platforms, impairment on fleet, depreciation on goodwill of Hune Pronto Rental and the depreciation of the Lavendon France trademark.

At December 31, 2017 net other operating incomes and expenses amounted to €(4,461)k and related to non-recurring fees from the acquisitions of Hune and Lavendon which were partially offset by the net capital gain on the Gardemann disposal.

Note 21 – Financial income (expense)

	31.12.17	31.12.18
	(€'000)	
Interest and financing-related expenses	(93,292)	(97,177)
Income from cash and cash equivalents	4	1
Net finance costs	**(93,288)**	**(97,176)**
Fair value adjustments for financial instruments	2,415	(640)
Non-recurring financial expenses (a)	(20,075)	(1,902)
Foreign exchange gains or losses	(6,792)	(3,198)
Other financial expenses	(362)	(486)
Other financial income	1,389	1,267
Financial income (expense)	**(116,714)**	**(102,135)**

(a) In 2018, mainly concerns early repayment and accelerated amortization of issuance costs following the reimbursement of €60 million of the €299.3 million outstanding principal amount of the 2021 Senior Secured Notes issued in 2014 and €25 million of the €250.0 million outstanding principal amount of the 2022 Senior Subordinated Notes.

In 2017, this item was related to:

- fees for issuance and early repayment of the bridge facility for €13.8 million,
- fees for early repayment and accelerated amortization of issuance costs following the reimbursement of €110.7 million of €410 million senior secured notes issued in 2014 for €3.4 million
- revaluation of investment to equity affiliate following the increasing stake in the Degraus company in Q4 2017 for €2.9 million.

Note 22 – Corporate income tax

Analysis of tax expense

	31.12.17	31.12.18
	(€'000)	
Current tax	(9,323)	(8,927)
Deferred tax	(9,537)	(11,644)
Total	**(18,860)**	**(20,571)**

Different tax rates were used for the calculation of deferred taxes on accelerated amortizations (25.83%) and employee benefits (25.83%) in France. Long term rates have also been used for the calculation of deferred taxes on intangible assets resulting from the purchase price allocation.

Reconciliation between actual tax and theoretical tax expense

	31.12.17	31.12.18
	(€'000)	
Consolidated income before tax and "CICE" French tax credit	97,591	104,503
Tax rate (parent)	34,43%	32,02%
Theoretical tax expense	**(33,601)**	**(33,462)**
Difference in parent / subsidiary rates	11,637	8,617
Unused tax losses for the year	(2,334)	(3,295)
Use of previously unused losses	3,017	289
Permanent differences	2,134	7,588
Withholding taxes on dividends	(148)	—
Tax credits and other	434	(309)
Actual tax expense	**(18,860)**	**(20,572)**

Deferred tax assets and liabilities

	31.12.17	31.12.18
	(€'000)	
Opening balance	**(17,606)**	**(40,432)**
Income (expense)	(9,537)	(11,644)
Change in scope	(12,480)	300
Own funds allocation	(860)	(441)
Other changes	51	211
Closing balance	**(40,432)**	**(52,006)**

Deferred tax assets primarily relate to temporary differences and the use of loss carry forwards. The deferred tax liabilities relate to temporary differences, primarily linked to accelerated tax depreciation charges.

Note 23 – Operating lease commitments

	31.12.17	31.12.18
	(€'000)	
Future minimum lease payments by maturity:		
Less than 1 year	70,534	68,695
1 to 5 years	128,361	143,087
Over 5 years	15,007	34,735
Total future minimum lease payments (undiscounted)*	**213,902**	**246,517**

*Information not available for Hune Sico and Hune Pronto rental

Note 24 – Off-balance sheet commitments

	31.12.17	31.12.18
	(€'000)	
Guarantee given to banks for payment of real estate rentals	2,106	2,106
Pledging of business assets as collateral	360	360
Total commitments given	**2,466**	**2,466**
Bank guarantee received for payment of real estate rentals	7,308	7,308
Other bank guarantees received	450	450
Total commitments received	**7,758**	**7,758**

There was no change in the commitments between both financial years.

Other commitments given to guarantee bank borrowings recorded on the balance sheet:

- Guarantees from Loxam SAS on subsidiaries' borrowings (bilateral and leasing) for €36,543k at December 31, 2018.
- Pledge of Loxam Power, Loxam Module and Lavendon Group Ltd shares as well as the Loxam brand as a collateral to guarantee €1,089.3 million of secured senior bonds.
- €75 million RCF: transfer under the Dailly Act : 120% of the outstanding amount drawn on the revolving loan and pledging of a bank account as collateral to guarantee the revolving loan.The revolving loan was not drawn during the period. The RCF amounts to € 75 million.

Note 25 – Related-party transactions

The remuneration of key governing bodies is comprised of the following:

	31.12.17	31.12.18
	(€'000)	
Executive Committee compensation	2,994	3,084
Executive Committee benefits in kind	34	31
Attendance fees paid to directors	40	44
Total amount of compensation and benefits paid to executives and directors	**3,068**	**3,159**

The Loxam SAS parent company has entered into a service delivery agreement with DPZ Partners, which holds part of the share capital of Loxam SAS. This agreement has been entered into under normal market conditions. Services provided under this agreement were invoiced to Loxam for an amount of €1.1 million in 2018 compared to €1.9 million in 2017.

The Group does not have any significant transactions with related parties that have not been entered into under normal market conditions.

Note 26 – Statutory Auditors' Fees

	Constantin/Deloitte	KPMG	Other
		(€'000)	
Accounts certification	201	201	—
Other subsidiaries	486	211	263
Other services	—	—	56
Overall fees of statutory Auditors	**687**	**412**	**319**

THE ISSUER

LOXAM
256, rue Nicolas Coatanlem
56855 Caudan Cedex
France

STATUTORY AUDITORS OF THE ISSUER

KPMG Audit,
a division of KPMG S.A.
2 avenue Gambetta
Tour Eqho
92400 Courbevoie
France

Constantin Associés,
member of Deloitte Touche Tohmatsu Limited
6, place de la Pyramide
92908 Paris La Défense Cedex
France

LEGAL ADVISORS TO THE ISSUER

as to United States and French law
Latham & Watkins AARPI
45, rue Saint-Dominique
75007 Paris
France

As to English law
Latham & Watkins
99 Bishopsgate
London EC2M 3XF
United Kingdom

LEGAL ADVISORS TO THE INITIAL PURCHASERS

as to United States and English Law
Shearman & Sterling (London) LLP
9 Appold Street
London EC2A 2AP
United Kingdom

as to French Law
Shearman & Sterling
7, rue Jacques Bingen
75017 Paris
France

LEGAL ADVISORS TO THE TRUSTEE

K&L Gates LLP
One New Change
London EC4M 9AF
United Kingdom

TRUSTEE

Wilmington Trust, National Association
50 South Sixth Street, Suite 1290
Minneapolis, MN 55402
United States of America

PAYING AGENT

Deutsche Bank AG, London Branch
Winchester House
1 Great Winchester Street
London EC2N 2DB
United Kingdom

SECURITY AGENT

Wilmington Trust (London) Limited
1 King's Arms Yard
London EC2R 7AF
United Kingdom

INITIAL TRANSFER AGENT

Deutsche Bank AG, London Branch
Winchester House
1 Great Winchester Street
London EC2N 2DB
United Kingdom

LUXEMBOURG LISTING AGENT AND REGISTRAR

Deutsche Bank Luxembourg S.A.
2, boulevard Konrad Adenauer
L-1115 Luxembourg
Grand Duchy of Luxembourg

LISTING PROSPECTUS

€350,000,000 4.500% Senior Secured Notes due 2027

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