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LISTING PARTICULARS

NOT FOR GENERAL DISTRIBUTION IN THE UNITED STATES

Kapla Holding
€461,857,000 Senior Secured Floating Rate Notes due 2030
€188,143,000 Senior Secured Floating Rate Notes due 2026 Exchanged for €188,143,000 Senior Secured Floating Rate Notes due 2030

Kapla Holding S.A.S., a *société par actions simplifiée*, organized under the laws of France (the "**Issuer**"), offered (the "**Offering**") €461,857,000 aggregate principal amount of its Senior Secured Floating Rate Notes due 2030 (the "**Notes**"). The Notes were issued pursuant to an indenture (the "**Indenture**") entered into on February 5, 2024 (the "**Issue Date**"), among, *inter alios*, the Issuer, the Guarantors (as defined herein), BNY Mellon Corporate Trustee Services Limited, as trustee (the "**Trustee**"), and BNP Paribas, as security agent (the "**Security Agent**"). We used the proceeds of the Offering to (i) pay the consideration for the Tender Offer, (ii) repay certain amounts outstanding under the Revolving Credit Facility, (iii) fund the redemption of all of the remaining 2027 Notes, (iv) fund the redemption of all outstanding 2026 Floating Rate Notes not tendered pursuant to the Exchange Offer and (v) pay certain fees, costs and expenses in connection with the Transactions. (each as defined herein).

The Notes bear interest at a rate equal to three month EURIBOR (subject to a 0% floor) plus 350 basis points per annum, reset quarterly, and will mature on July 31, 2030. The Issuer will pay interest on the Notes quarterly in arrears on each of March 15, June 15, September 15 and December 15, commencing on March 15, 2024. At any time and from time to time prior to February 5, 2025, the Issuer may, at its option, redeem all or a portion of the Notes at a redemption price equal to 100% of the principal amount of the Notes so redeemed, plus a "make whole" premium as of, and accrued and unpaid interest and additional amounts, if any, to, but excluding, the applicable redemption date, as described herein. At any time and from time to time on or after February 5, 2025, the Issuer may redeem all or a portion of the Notes at the redemption price specified herein. The Issuer may also redeem all, but not less than all, of the Notes in the event of certain developments affecting taxation. Additionally, upon certain events defined as constituting a change of control or upon certain asset sales, the Issuer may be required to make an offer to purchase the Notes. A change of control will not be deemed to have occurred if a certain consolidated net leverage ratio is not exceeded as a result of such event. See "*Description of the Notes—Change of Control*."

The Notes are senior obligations of the Issuer and, on the Issue Date, the Notes are guaranteed (the "**Notes Guarantees**") on a senior basis by Kiloutou S.A.S., Kiloutou Module S.A.S. and Kiloutou Danmark (as defined herein) (collectively, the "**Guarantors**"). The Notes rank *pari passu* in right of payment with any existing and future senior indebtedness of the Issuer (including the 2026 Notes, the 2027 Notes, indebtedness of the Issuer under the Revolving Credit Facility Agreement and the Senior Term Loan Facility Agreement (each as defined herein)), rank senior in right of payment to any existing or future indebtedness of the Issuer that is expressly subordinated in right of payment to the Notes, are effectively subordinated to any existing or future indebtedness or obligation of the Issuer or its subsidiaries that is secured by property or assets that do not secure the Notes, to the extent of the value of such property or assets, and are structurally subordinated to any existing or future indebtedness of the Issuer's subsidiaries that do not guarantee the Notes, including their obligations to trade creditors. The validity and enforceability of the Notes Guarantees and the liability of the Guarantors thereunder are subject to the limitations described in "*Limitations on validity and enforceability of the Notes Guarantees and the security interests and certain insolvency law considerations*" and may be released in certain circumstances. See "*Description of the Notes—The Notes Guarantees*."

On the Issue Date, the Notes and the Notes Guarantees are secured on a first-priority basis by security interests in (i) the financial securities account opened in the name of the Issuer in the books of Kiloutou S.A.S., (ii) the financial securities account opened in the name of Kiloutou S.A.S. in the books of Kiloutou Module S.A.S., (iii) the shares in Kiloutou Danmark held by Kiloutou S.A.S., (iv) the shares in GSV (as defined herein) held by Kiloutou Danmark, (v) certain bank accounts of the Issuer and the Guarantors and (vi) certain intra-group receivables owing to the Issuer and the Guarantors, including the Existing Proceeds Loans (as defined herein) (the "**Collateral**"). The Collateral also secures the 2026 Notes, the 2027 Notes, the Revolving Credit Facility and the Senior Term Loan Facility (as defined herein) on a first-priority basis. Under the terms of the Intercreditor Agreement (as defined herein), in the event of an enforcement of the Collateral, the holders of the Notes will receive proceeds from the Collateral only after the lenders under the Revolving Credit Facility and counterparties to certain hedging obligations, if any, have been repaid in full. See "*Description of certain financing arrangements—Revolving Credit Facility Agreement*" and "*Description of certain financing arrangements—Intercreditor Agreement*." In addition, the Collateral will be subject to the Agreed Security Principles and other certain contractual and legal limitations, and may be released under certain circumstances. See "*Limitations on validity and enforceability of the Notes Guarantees and the security interests and certain insolvency law considerations*" and "*Description of the Notes—Security*."

Concurrently with the Offering, the Issuer has made an offer (the "**Tender Offer**") to eligible holders of book-entry interests in the Regulation S global notes representing the Issuer's Senior Secured Floating Rate Notes due 2027 (the "**2027 Notes**") to tender their 2027 Notes for repurchase by the Issuer at a price equal to 101% of the principal amount thereof, plus accrued and unpaid interest. The settlement of the Tender Offer was conditioned upon, among other things, the combined aggregate principal amount of the Notes and the Exchange Notes to be issued by the Issuer being no less than €250.0 million (the "**Minimum Financing Condition**"), which was satisfied. Pursuant to the results of the Tender Offer, the Issuer purchased €143,874,000 of the outstanding 2027 Notes validly tendered for purchase. We redeemed all of the 2027 Notes that were not tendered in the Tender Offer, in accordance with the 2027 Indenture (as defined herein). In addition, concurrently with the Offering and the Tender Offer, the Issuer has made an offer (the "**Exchange Offer**") to eligible holders of book-entry interests in the Regulation S global notes representing the Issuer's Senior Secured Floating Rate Notes due 2026 (the "**2026 Floating Rate Notes**") to exchange each €1,000 in principal amount of their 2026 Floating Rate Notes for (x) €1,000 in principal amount of senior secured floating rate notes due 2030 (the "**Exchange Notes**") and (y) accrued and unpaid interest. Any Exchange Notes issued are issued under the Indenture on the Issue Date and have identical terms as, and form a single class with, the Notes. The settlement of the Exchange Offer was also conditioned upon, among other things, the Minimum Financing Condition, which was satisfied. No cash consideration was paid in connection with the Exchange Offer. Pursuant to the results of the Exchange Offer, the Issuer exchanged €188,143,000 of the outstanding 2026 Floating Rate Notes validly tendered for exchange. We redeemed all 2026 Floating Rate Notes that were not tendered in the Exchange Offer, at par, in accordance with the 2026 Indenture (as defined herein). Subject to the satisfaction or waiver of the Minimum Financing Condition, the Offering, the Tender Offer and the Exchange Offer settled simultaneously on the Issue Date.

There is currently no public market for the Notes. Application has been made to list the Notes and the Exchange Notes on the Securities Official List of the Luxembourg Stock Exchange (the "**Exchange**"). There can be no assurance that such listing will be maintained.

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

Issue Price for the Notes: 100.000% of principal plus accrued interest, if any, from the Issue Date

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The Notes and the Notes Guarantees have not been, and will not be, 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" ("**QIBs**") in reliance on the exemption provided by Rule 144A under the Securities Act ("**Rule 144A**"). You are hereby notified that the Initial Purchasers may be relying on the exemption from the provisions of Section 5 of the Securities Act provided by Rule 144A. Outside the United States, the Offering is being made only to certain non-U.S. persons in reliance on Regulation S under the Securities Act ("**Regulation S**"). See "*Notice to investors*" for additional information about eligible offerees and transfer restrictions. The Notes were issued in registered form in minimum denominations of €100,000 and integral multiples of €1,000 in excess thereof. The Notes were represented upon issuance by one or more global notes. The Initial Purchasers delivered the Notes in book entry form through Euroclear Bank SA/NV ("**Euroclear**") and Clearstream Banking S.A. ("**Clearstream**") on the Issue Date.

Joint Global Coordinators and Physical Bookrunners

Crédit Agricole CIB | **J.P. Morgan**
Billing & Delivery

Joint Bookrunners

BNP PARIBAS | **Natixis** | **Société Générale**

The date of these listing particulars is February 19, 2024

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*IN MAKING YOUR INVESTMENT DECISION, YOU SHOULD RELY ONLY ON THE INFORMATION CONTAINED IN THESE LISTING PARTICULARS. NEITHER THE ISSUER NOR ANY OF CRÉDIT AGRICOLE CORPORATE AND INVESTMENT BANK, J.P. MORGAN SE, BNP PARIBAS, NATIXIS AND SOCIÉTÉ GÉNÉRALE (COLLECTIVELY, THE "**INITIAL PURCHASERS**") HAS AUTHORIZED ANYONE TO PROVIDE YOU WITH DIFFERENT INFORMATION. IF YOU RECEIVE ANY OTHER INFORMATION, YOU SHOULD NOT RELY ON IT.*

NEITHER THE ISSUER NOR ANY OF THE INITIAL PURCHASERS IS MAKING AN OFFER OF THESE SECURITIES IN ANY JURISDICTION WHERE THE OFFER IS NOT PERMITTED.

YOU SHOULD NOT ASSUME THAT THE INFORMATION CONTAINED IN THESE LISTING PARTICULARS IS ACCURATE AS OF ANY DATE OTHER THAN THE DATE ON THE FRONT OF THE OFFERING MEMORANDUM. OUR BUSINESS OR FINANCIAL CONDITION AND OTHER INFORMATION IN THESE LISTING PARTICULARS MAY CHANGE OR HAVE CHANGED AFTER THAT DATE.

IMPORTANT INFORMATION

We are offering the Notes and the Notes Guarantees in reliance on exemptions from the registration requirements of the Securities Act. These exemptions apply to offers and sales of securities that do not involve a public offering. The Notes and the Notes Guarantees have not been recommended by any U.S. federal, state or any non-U.S. securities authorities, nor have any such authorities determined that these listing particulars are accurate or complete. Any representation to the contrary is a criminal offense in the United States.

These listing particulars have been prepared by us solely for the purposes of the listing of the Notes and the Exchange Notes. These listing particulars do not constitute an offer to any other person or to the public generally to subscribe for or otherwise acquire any of the Notes and the Notes Guarantees. Each prospective investor, by accepting delivery of these listing particulars, agrees to the foregoing.

You are not to construe the contents of these listing particulars as investment, legal or tax advice. You should consult your own counsel, accountants and other advisors as to the legal, tax, business, financial and related aspects of purchasing the Notes on the Issue Date. You are responsible for making your own examination of the Group and your own assessment of the merits and risks of investing in the Notes and the Notes Guarantees. By purchasing the Notes and the Notes Guarantees, you will be deemed to have acknowledged that you have reviewed these listing particularsand that you have had an opportunity to request any additional information that you need from us.

You should base your decision to invest in the Notes and the Notes Guarantees solely on information contained in these listing particulars. No person is authorized in connection with the Offering to give any information or to make any representation not contained in these listing particularsor any pricing term sheet or supplement and, if given or made, any other information or representation must not be relied upon as having been authorized by us or the Initial Purchasers.

The information contained in the offering memorandum is as of the date of the offering memorandum and is subject to change, completion or amendment without notice. The delivery of these listing particulars at any time after the date of the offering memorandum shall not, under any circumstances, create any implication that there has been no change in the information set forth in the offering memorandum or in our affairs since the date of the offering memorandum. We undertake no obligation to update these listing particulars or any information contained in it, whether as a result of new information, future events or otherwise, except to the extent required by law.

The information contained in these listing particulars has been furnished by us and other sources we believe to be reliable. No representation or warranty, express or implied, is made by the Initial Purchasers, any of the Trustee or the Agents (as defined herein) or their respective directors, affiliates, advisors or agents as to the accuracy or completeness of any of the information set forth in these listing particulars, and nothing contained in these listing particulars is, or shall be relied upon as, a promise or representation by the Initial Purchasers or their respective directors, affiliates, advisors or agents, whether as to the past or the future. Certain documents are summarized herein, and such summaries are qualified entirely by reference to the actual documents, copies of which will be made available to you upon request. By receiving these listing particulars, you acknowledge that you have not relied on the Initial Purchasers, any of the Trustee or the Agents or their respective directors, affiliates, advisors and agents and the advisors of the Issuer in connection with your investigation of the accuracy of this information or your decision to invest in the Notes.

these listing particulars do not constitute an offer to sell or an invitation to subscribe for or purchase any of the Notes or Notes Guarantees in any jurisdiction in which such offer or invitation is not authorized or to any person to whom it is unlawful to make such an offer or invitation. You must comply with all laws and regulations that apply to you in any place in which you buy, offer or sell any of the Notes or the Notes Guarantees or possess these listing particulars. You must also obtain any consents or approvals that you need in order to purchase any of the Notes or the Notes Guarantees. We are not, and none of the Trustee, the Agents and the Initial Purchasers are, making any representation to you regarding the legality of an investment in the Notes by you and are not responsible for your compliance with these legal requirements.

The Notes and the Notes Guarantees are subject to restrictions on resale and transfer as described under "*Notice to investors*" and "*Plan of distribution*." By purchasing any of the Notes and the Notes Guarantees, you will be deemed to have made certain acknowledgments, representations and agreements as described in those sections of these listing particulars. You may be required to bear the financial risks of investing in the Notes and the Notes Guarantees for an indefinite period of time.

We reserve the right to withdraw the Offering at any time. We are making the Offering subject to the terms described in the offering memorandum and the purchase agreement relating to the Notes. We and the Initial Purchasers may, for any reason, reject any offer to purchase the Notes in whole or in part, sell less than the entire principal amount of the Notes offered hereby or allocate to any purchaser less than all of the Notes for which it has subscribed. The Initial Purchasers and certain of their respective affiliates may acquire, for their own accounts, a portion of the Notes.

We accept responsibility for the information contained in these listing particulars. We declare that, having taken all reasonable care to ensure that such is the case, the information contained in these listing particulars is, to the best of our knowledge, in accordance with the facts and does not omit anything likely to affect the import of these listing particulars. However, the content set forth under the headings "*Summary*," "*Management's discussion and analysis of financial condition and results of operations*," "*Industry*" and "*Business*" includes extracts from information and data, including industry and market data, released by publicly available sources or otherwise prepared by third parties. While we accept responsibility for accurately reproducing such information and data, and, as far as we are aware and are able to ascertain from information published by such sources, no facts have been omitted which would render the reproduced information inaccurate or misleading, none of us, the Initial Purchasers, the Trustee or the Agents has independently verified the accuracy of such information and data, and none of us, the Initial Purchasers, the Trustee or the Agents accepts any responsibility in respect thereof.

Furthermore, the information set forth in relation to sections of these listing particulars 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 reproducing the information concerning Euroclear and Clearstream, none of us, the Initial Purchasers, the Trustee or the Agents accepts any responsibility in respect of such information. Investors wishing to use these clearing systems are advised to confirm the continued applicability of their rules, regulations and procedures. None of us, the Trustee, and the Agents will have any responsibility or liability for any aspect of the records relating to, or payments made on account of, book-entry interests held through the facilities of any clearing system or for maintaining, supervising or reviewing any records relating to such book-entry interests.

Delivery of the Notes was made against payment on the Notes on the Issue Date, which was six business days (as such term is used for purposes of Rule 15c6-1 of the U.S. Securities Exchange Act of 1934, as amended (the "**Exchange Act**")) following the date of pricing of the Notes (this settlement cycle is referred to as ("**T+6**)). Under Rule 15c6-1 of the Exchange Act, trades in the secondary market generally are required to settle in two business days unless the parties to any such trade expressly agree otherwise. Accordingly, purchasers who wish to trade the Notes on the date of the offering memorandum or the following three business days will be required to specify an alternative settlement cycle at the time of any such trade to prevent a failed settlement. Purchasers of the Notes who wish to make such trades should consult their own advisors.

These listing particulars are meant to provide details on the securities and the issuer in relation to the admission of the securities onto the Securities Official List held by the Exchange without admission to trading on one of the securities markets operated by the Exchange ("**LuxSE SOL**"). These listing particulars have been prepared for the sole goal of being admitted and displayed on LuxSE SOL. They do not provide any key information to be used for making investment decisions.

The Offering Memorandum is provided for information purposes only. It does not constitute and is not construed as any advice, solicitation, offer, endorsement, commitment or recommendation to invest in the securities described herein. The provision of the listing particulars is not and shall not be a substitute for your own researches, investigations, verifications, checks or consultation for professional or investment advice. You are using the Information Notice at your own risks.

STABILIZATION

IN CONNECTION WITH THIS OFFERING, J.P. MORGAN SE OR ONE OF ITS AFFILIATES OR PERSONS ACTING ON ITS BEHALF (THE "**STABILIZING MANAGER**") MAY OVER-ALLOT THE NOTES OR EFFECT TRANSACTIONS WITH A VIEW TO SUPPORTING THE MARKET PRICE OF THE NOTES AT A LEVEL HIGHER THAN THAT WHICH MIGHT OTHERWISE PREVAIL. HOWEVER, THERE CAN BE NO ASSURANCE THAT THE STABILIZING MANAGER (OR PERSONS ACTING ON BEHALF OF THE STABILIZING MANAGER) WILL UNDERTAKE STABILIZATION ACTION. ANY STABILIZATION ACTION MAY BEGIN ON OR AFTER THE DATE ON WHICH ADEQUATE PUBLIC DISCLOSURE OF THE FINAL TERMS OF THE OFFER OF THE NOTES IS MADE AND, IF BEGUN, MAY BE ENDED AT ANY TIME, BUT IT MUST END NO LATER THAN THE EARLIER OF 30 CALENDAR DAYS AFTER THE ISSUE DATE OF THE NOTES AND 60 CALENDAR DAYS AFTER THE DATE OF THE ALLOTMENT OF THE NOTES. ANY STABILIZATION ACTION OR OVER ALLOTMENT MUST BE CONDUCTED BY THE STABILIZING MANAGER (OR PERSONS ACTING ON BEHALF OF THE STABILIZING MANAGER) IN ACCORDANCE WITH ALL APPLICABLE LAWS AND RULES. FOR A DESCRIPTION OF THESE ACTIVITIES, SEE "*PLAN OF DISTRIBUTION*."

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 securities which does not involve a public offering. You are hereby notified that the seller of any Note may be relying on the exemption from the provisions of Section 5 of the Securities Act provided by Rule 144A

thereunder. The Notes are subject to certain restrictions on transfer and resale. In making your purchase, you will be deemed to have made certain acknowledgments, representations and agreements. See "*Notice to investors*."

these listing particulars are being provided to (1) a limited number of U.S. investors that the Issuer reasonably believes to be QIBs under Rule 144A for informational use solely in connection with their consideration of the purchase of the Notes and (2) certain non-U.S. persons outside the United States in offshore transactions complying with Rule 903 or Rule 904 of Regulation S. The Notes and the Notes Guarantees described in these listing particulars have not been registered with, recommended by or approved by the U.S. Securities and Exchange Commission (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 these listing particulars. Any representation to the contrary is a criminal offense in the United States. See "*Notice to investors*."

NOTICE TO CERTAIN EUROPEAN INVESTORS

Prohibition of sales to certain EEA investors

These listing particulars have 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. These listing particulars are 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 "**IDD**"), 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. 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 customers only, each as defined in MiFID II; and (ii) all channels for distribution of the Notes to eligible counterparties and professional customers 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.

United Kingdom

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 these listing particulars relate is available only to and will be engaged in only with relevant persons.

These listing particulars have 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. These listing particulars are 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 IDD, 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.

AVAILABLE INFORMATION

Each purchaser of Notes from the Initial Purchasers has been furnished with a copy of the offering memorandum and any amendments or supplements to the offering memorandum. Each person receiving these listing particulars and any amendments or supplements to these listing particulars acknowledges that:

- such person has been afforded an opportunity to request from us and has received and reviewed all additional information considered by it to be necessary to verify the accuracy and completeness of the information contained herein;

- such person has not relied on information provided or representations made by the Initial Purchasers or any person affiliated with the Initial Purchasers in connection with its investigation of the accuracy of such information or its investment decision; and

- except as provided pursuant to the first bullet above, no person has been authorized to give any information or to make any representation concerning the Issuer, the Initial Purchasers or the Notes offered hereby other than those contained herein and, if given or made, such other information or representation should not be relied upon as having been authorized by us, the Initial Purchasers or any of their affiliates.

We are not currently subject to the periodic reporting and other information requirements of the Exchange Act. For so long as any of the Notes are "restricted securities" within the meaning of Rule 144(a)(3) under the Securities Act, we will, during any period in which we are neither subject to the reporting requirements of Section 13 or 15(d) of the Exchange Act nor exempt from the reporting requirements under Rule 12g3-2(b) under the Exchange Act, provide to the holder or beneficial owner of such restricted securities or to any prospective purchaser of such restricted securities designated by such holder or beneficial owner, in each case upon the written request of such holder, beneficial owner or prospective purchaser, the information required to be provided by Rule 144A(d)(4) under the Securities Act. Copies of the Indenture, the form of the Notes and the Intercreditor Agreement will be made available following the Issue Date upon request by writing to the Issuer at 30 bis, rue Sainte-Hélène, 69002 Lyon, France, Attn: Investor Relations.

Pursuant to the Indenture and so long as the Notes are outstanding, we have agreed to furnish periodic information to holders of the Notes. See "*Description of the Notes—Certain covenants—Reports*" and "*Listing and general information*."

Information contained on our website is not incorporated by reference into these listing particulars and is not part of these listing particulars.

FORWARD-LOOKING STATEMENTS

Various statements contained in these listing particulars constitute "forward-looking statements" within the meaning of the securities laws of certain applicable jurisdictions. All statements other than statements of historical fact included in these listing particulars, including, without limitation, statements regarding our future financial position and results of operation, trends or developments affecting our financial condition and results of operation or the markets in which we operate, strategy, outlook and growth prospects, anticipated investments, costs and results, future plans and potential for growth, projects to enhance efficiency, impact of governmental regulations or actions, competition in areas of our business, litigation outcomes and timetables, future capital expenditures, liquidity requirements, capital resources, the successful integration of acquisitions and objectives of management for future operations or plans to launch new or expand existing operations, may be deemed to be forward-looking statements. When used in these listing particulars, the words "believe," "anticipate," "should," "intend," "assume," "plan," "may," "will," "expect," "estimate," "positioned," "strategy" and similar expressions may identify these forward-looking statements, but the absence of these words does not necessarily mean that a statement is not forward-looking. These forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements or industry results to be materially different from those contemplated, projected, forecasted, estimated or budgeted, whether expressed or implied, by these forward-looking statements. These factors include those set forth in the section of these listing particulars captioned "*Risk factors*," which include, among others:

- fluctuations in the demand for our equipment due to the cyclical nature of the industries in which we operate, in particular in France;
- unfavorable conditions in the capital and credit markets and political uncertainty;
- the effects of competition;
- risks related to a regional or global health pandemic, including the Covid-19 outbreak;
- exposure to risks inherent in operating a business across multiple jurisdictions;
- our ability to forecast trends accurately;
- our ability to effectively manage our rental equipment;
- our dependence on equipment manufacturers and suppliers to obtain rental equipment on a timely basis and on acceptable terms;
- increases in the cost of equipment for, and the maintenance and repair costs associated with, our rental fleet;
- exposure to counterparty risks;
- technical obsolescence and redundancy of our rental fleet;
- residual value risk upon disposal of our rental equipment;
- disruptions in our information technology system or the implementation of new platforms;
- execution of our organic and external growth strategy;
- our dependence on customer relationships in order to access markets and maintain leadership;
- our dependence on the policy of our customers on outsourcing their fleet;
- the loss of core executives, senior management or other key personnel;
- failures in our risk management, internal controls and compliance processes;
- damage to our reputation and our brand;
- fluctuation in revenue and operating results;

- our ability to access additional capital as required;
- risks associated with the presentation of our financial information and its comparability;
- risks related to the nature of the Issuer as a holding company and its dependency on payments from its subsidiaries;
- inconsistencies between the interests of our controlling shareholder and other equity holders and your interests;
- compliance with laws and regulations, including those relating to labor, environmental, health, safety, anti-corruption and tax matters;
- exposure to risks related to legal proceedings or claims that may exceed our insurance coverage;
- risks related to our coverage under insurance policies;
- changes in applicable law and regulations or material failure to comply with them;
- risks related to actions of third parties, including suppliers, subcontractors and agents;
- changes in tax laws; and
- other risks and uncertainties associated with the Transactions, our capital structure, our indebtedness, the Notes, the Notes Guarantees, the Collateral and the Offering, and any other risks and uncertainties described in these listing particulars.

The risks included here are not exhaustive. Moreover, we operate in a highly competitive and rapidly changing environment. New risks emerge from time to time and it is not possible for us to predict all such risks related to our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements. Given these risks and uncertainties, investors should not place undue reliance on forward-looking statements as a prediction of actual results.

Any forward-looking statements are only made as of the date of the offering memorandum and, except as required by law or the rules and regulations of any exchange on which the Notes are listed, we assume no obligation to update the forward-looking statements contained in the offering memorandum to reflect actual results, changes in assumptions or changes in factors affecting these statements.

We urge you to read carefully the sections of these listing particulars entitled "*Risk factors,*" "*Management's discussion and analysis of financial condition and results of operations,*" "*Industry*" and "*Business*" for a more detailed discussion of the factors that could affect our future performance and the markets in which we operate.

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PRESENTATION OF FINANCIAL AND OTHER INFORMATION

Historical financial information of the Issuer

Financial statements of the Issuer

The historical financial information of the Issuer in these listing particulars includes information from or is derived from the following financial statements:

- the unaudited interim condensed consolidated financial statements of the Issuer as of and for the nine months ended September 30, 2023 prepared in accordance with IAS 34, IFRS (as defined below) standard applicable to interim financial statements (the "**2023 Unaudited Interim Condensed Consolidated Financial Statements**");
- the English language translation of the audited consolidated financial statements of the Issuer as of and for the year ended December 31, 2022 prepared in accordance with IFRS (the "**2022 Audited Consolidated Financial Statements**");
- the English language translation of the audited consolidated financial statements of the Issuer as of and for the year ended December 31, 2021 prepared in accordance with IFRS (the "**2021 IFRS Audited Consolidated Financial Statements**" and, together with the 2022 Audited Consolidated Financial Statements, the "**IFRS Audited Consolidated Financial Statements**"); and the IFRS Audited Consolidated Financial Statements, together with the 2023 Unaudited Interim Condensed Consolidated Financial Statements, the "**IFRS Consolidated Financial Statements**");
- the English language translation of the audited consolidated financial statements of the Issuer as of and for the year ended December 31, 2021 prepared in accordance with French GAAP (as defined below) (the "**2021 French GAAP Audited Consolidated Financial Statements**" and, together with the 2021 IFRS Audited Consolidated Financial Statements, the "**2021 Audited Consolidated Financial Statements**"); and
- the English language translation of the audited consolidated financial statements of the Issuer as of and for the year ended December 31, 2020 prepared in accordance with French GAAP (the "**2020 Audited Consolidated Financial Statements**" and, together with the 2021 French GAAP Audited Consolidated Financial Statements, the "**French GAAP Audited Consolidated Financial Statements**"; the French GAAP Audited Consolidated Financial Statements, together with the IFRS Audited Consolidated Financial Statements, the "**Audited Consolidated Financial Statements**"; and the Audited Consolidated Financial Statements, together with the 2023 Unaudited Interim Condensed Consolidated Financial Statements, the "**Financial Statements**").

The Audited Consolidated Financial Statements have been audited by KPMG S.A. ("**KPMG**") and PricewaterhouseCoopers Audit ("**PwC**"), the statutory independent auditors of the Group, as stated in the free English language translations of their audit reports included elsewhere in these listing particulars. The 2023 Unaudited Interim Condensed Consolidated Financial Statements have been subject to a review by KPMG and PwC, as stated in their review report included elsewhere in these listing particulars.

The French GAAP Audited Consolidated Financial Statements have been prepared in accordance with generally accepted accounting principles in France ("**French GAAP**"). The IFRS Audited Consolidated Financial Statements have been prepared in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board, as adopted by the European Union ("**IFRS**") and the 2023 Unaudited Interim Condensed Consolidated Financial Statements were prepared in accordance with IAS 34, the IFRS standard applicable to interim financial statements.

Other financial information

Certain financial information and operating data presented in these listing particulars have been excerpted from, prepared or calculated based on sources other than the Financial Statements, such as management accounts and schedules prepared on the basis of accounting records in relation to the Group. Such information and data has not been subject to any audit or limited review procedures carried out by any independent auditor.

Comparability of financial statements

Application of IFRS

Our first IFRS consolidated financial statements are for the financial year 2021, with a first-time application date as of January 1, 2020. In connection with the adoption of IFRS, we elected, in accordance with IFRS 1, to prepare consolidated financial statements as of and for the year ended December 31, 2021 in accordance with IFRS to facilitate the understanding of our financial condition and results of operations across the periods under audit or review and in order to provide accounting and financial data that is more comparable to financial information published by our peers. No financial statements as of and for the nine months ended September 30, 2022 or September 30, 2023 or the year ended December 30, 2022 prepared in accordance with French GAAP have been included or discussed in these listing particulars. As French

GAAP differs in significant respects from IFRS, the adoption of IFRS greatly reduces the comparability of the IFRS Consolidated Financial Statements with the French GAAP Audited Consolidated Financial Statements. Prospective investors are advised to consult their professional advisors for an understanding of: (i) the differences between French GAAP, IFRS and other systems of generally accepted accounting principles and how those differences might affect the financial information included in these listing particulars; and (ii) the impact that future additions to, or amendments of, IFRS may have on the financial information presented in these listing particulars, results of operations and/or financial condition, as well as on the comparability of prior periods. For a discussion of certain differences between French GAAP and IFRS as applied by us, see "*Management's discussion and analysis of financial condition and results of operations—Certain differences between French GAAP and IFRS*." See also "*Risk factors—Risks related to our financial condition—Our current financial statements are prepared in accordance with IFRS and are not comparable with our prior financial statements prepared in accordance with French GAAP*."

Change in accounting standards – French GAAP

During the periods under review in these listing particulars, we have adopted certain French GAAP accounting standards that may have an impact on the comparability of the French GAAP financial information presented herein. This includes the application of the new regulation ANC 2020-01 referred to in Note 3.2 to the 2021 French GAAP Audited Consolidated Financial Statements. This change in accounting method has been applied prospectively and has no significant impact on the 2021 French GAAP Audited Consolidated Financial Statements, except for a change in the presentation of the balance sheet and the income statement, and a change in the accounting treatment of retirement benefit obligations to be presented according to the actuarial method known as "projected unit credit" with an estimate of end-of-career salaries.

The application of the new ANC 2020-01 regulation also changes the presentation of certain balance sheet and income statement line items as of and for the year ended December 31, 2020 disclosed in the 2021 French GAAP Audited Consolidated Financial Statements. As a result, our 2020 Audited Consolidated Financial Statements, as included elsewhere in these listing particulars may not be directly comparable as to presentation with the financial information disclosed in the 2021 French GAAP Audited Consolidated Financial Statements. As a result of the application of ANC 2020-01, we have made the following reclassifications in the 2021 French GAAP Financial Statements:

- "Financial expenses" have been reclassified as non-operating expenses in the 2021 French GAAP Audited Consolidated Financial Statements. "Financial expenses" for the years ended December 31, 2020 and 2021 have been presented in the tables included in "*Summary—Summary historical consolidated financial information and other data—Summary income statement data*" in line with the 2021 French GAAP Audited Consolidated Financial Statements and such presentation does not correspond to the presentation in the 2020 Audited Consolidated Financial Statements included elsewhere in these listing particulars; and
- Deferred tax liabilities amounting to €46.3 million and €41.6 million as of December 31, 2020 and 2021, respectively, have been reclassified from "Provisions for contingencies and charges" to "Tax and payroll liabilities" in the 2021 French GAAP Audited Consolidated Financial Statements. This reclassification has also been applied to the comparative figures for the year ended December 31, 2020 presented in the 2021 French GAAP Audited Consolidated Financial Statements. These listing particulars present this reclassification in line with the 2021 French GAAP Audited Consolidated Financial Statements and such presentation does not correspond to the presentation in the 2020 Audited Consolidated Financial Statements included elsewhere in these listing particulars.

Change in accounting standards – IFRS

IFRS 1 – First-time Adoption of IFRS has been applied to all periods presented as from the transition date, *i.e.* January 1, 2020.

In preparing the consolidated financial statements, the Group did not early adopt any issued amendments, new standards or interpretations that have been adopted by the European Union but which are not mandatory for the year ended December 31, 2021. The Group does not expect these new standards, amendments or interpretations to have a material impact on its consolidated financial statements in future reporting periods. The new standards, amendments and interpretations whose application is mandatory as from January 1, 2022 are as follows:

- Amendments to IFRS 3 – Reference to the Conceptual Framework
- Amendments to IAS 16 – Property, Plant and Equipment – Proceeds before Intended Use
- Amendments to IAS 37 – Onerous Contracts – Cost of Fulfilling a Contract
- Annual Improvements 2018-2020 Cycle Amendments to IFRS 1, IFRS 9, IAS 41 and IFRS 16.

Effect of bolt-on acquisitions

The historical financial information of the Issuer presented in these listing particulars has been affected by certain acquisitions that have changed our scope of consolidation and may make it more difficult for investors to evaluate the

historical performance of our business.

In order to adjust for the changes in our business as a result of our recent acquisitions, and to ease comparability of certain information between periods, we present in these listing particulars certain information on a constant perimeter basis, excluding changes in the scope of consolidation of the Group.

The information provided on a constant perimeter basis for the nine months ended September 30, 2023 excludes:

- 2 months of activity in 2023 of Uka Hauke Arbeitsbünhen, which was acquired on July 31, 2023;
- 6 months of activity in 2023 of Bernard Location, which was acquired on April 1, 2023;
- 9 months of activity in 2023 of Jamart Location, which was acquired on December 8, 2022;
- 9 months of activity in 2023 of Aerotecnica, which was acquired on December 6, 2022;
- 9 months of activity in 2023 of Grupo Vendap and Crucial Meridien Alugatudo, which were acquired on November 2, 2022;
- 8 months of activity in 2023 of Holbæk Lift, which was acquired on August 31, 2022; and
- 3 months of activity in 2023 of GSV, which was acquired on April 7, 2022.

The information provided on a constant perimeter basis for the year ended December 31, 2022 excludes:

- 1 month of activity in 2022 of Jamart Location, which was acquired on December 8, 2022;
- 1 month of activity in 2022 of Aerotecnica, which was acquired on December 6, 2022;
- 2 months of activity in 2022 of Grupo Vendap and Crucial Meridian, which were acquired on November 2, 2022;
- 4 months of activity in 2022 of Holbæk Lift, which was acquired on August 31, 2022;
- 9 months of activity in 2022 of GSV, which was acquired on April 7, 2022;
- 11 months of activity in 2022 of AB Matériels, a French generalist acquired on December 21, 2021;
- 11 months of activity in 2022 of Almaq, a Spanish business acquired on December 1, 2021;
- 6 months of activity in 2022 of Diaz Miquelez and Diaz Miquelez Montajes, two Spanish businesses acquired on July 1, 2021;
- 6 months of activity in 2022 of Salmat and Jean-Bart-Location, two French generalists acquired on July 1, 2021; and
- 4 months of activity in 2022 of La Centrale de Location, a French generalist acquired on May 4, 2021.

The information provided on a constant perimeter basis for the year ended December 31, 2021 excludes:

- 1 month of activity in 2021 of AB Matériels, which was acquired on December 21, 2021;
- 1 month of activity in 2021 of Almaq, which was acquired on December 1, 2021;
- 6 months of activity in 2021 of Diaz Miquelez and Diaz Miquelez Montajes, which were acquired on July 1, 2021;
- 6 months of activity in 2021 of Salmat and Jean-Bart-Location, which were acquired on July 1, 2021;
- 8 months of activity in 2021 of La Centrale de Location, which was acquired on May 4, 2021;
- 11 months of activity in 2021 of MC Location, a French specialist acquired on December 16, 2020;
- 6 months of activity in 2021 of Wiesecker Werkzeugvermietung, a German business acquired on July 1, 2020; and
- 2 months of activity in 2021 of Locamodul and Samlloc Modulaire, two French specialists acquired on February 18, 2020.

The independent statutory auditors of the Group have not audited or reviewed information provided on a constant perimeter basis for purposes of its inclusion herein. Such information is based on a number of assumptions that are subject to inherent uncertainties and you are strongly cautioned against placing undue reliance thereon.

These listing particulars also contain certain unaudited adjusted financial data, such as Acquisition Adjusted Revenue and Acquisition Adjusted EBITDA, to reflect our results of operations for the periods presented as though the Acquired Companies had been acquired as of the beginning of the relevant period, instead of the actual date when the acquisitions occurred or were deemed to have occurred for accounting purposes, by taking into account the results of operations of the Acquired Companies derived from their accounting records, without adjusting for any other effects (the "**Acquisition Adjusted Financial Information**"). The Acquisition Adjusted Financial Information may not be prepared on the same basis as the Financial Statements included elsewhere in these listing particulars, and such information is not intended to be compliant with French GAAP, IFRS or any other generally accepted accounting principles. The Acquisition Adjusted

Financial Information has not been prepared in accordance with the requirements of Regulation S-X of the Securities Act. No reconciliation has been provided from such information to the Group's audited or unaudited financial statements in these listing particulars. The Acquisition Adjusted Financial Information has been prepared by, and is the responsibility of, management of the Group. The independent statutory auditors of the Group have not audited, reviewed, compiled or performed any procedures with respect to the Acquisition Adjusted Financial Information for the purpose of its inclusion herein. The Acquisition Adjusted Financial Information is based on a number of assumptions that are subject to inherent uncertainties and you are strongly cautioned against placing undue reliance thereon. For further information regarding our acquisitions, see "*Management's discussion and analysis of financial condition and results of operations—Factors affecting comparability of results—Recent acquisitions*." See also "*Risk factors—Risks related to our financial condition—The Acquisition Adjusted Financial Information and as adjusted financial information presented in these listing particulars may not reflect our actual results of operations for the periods presented and are not indicative of our future operating performance*."

Non-GAAP financial measures

These listing particulars contain various financial measures and ratios that are not presented in accordance with French GAAP or IFRS (collectively, "**Non-GAAP Measures**"). We present these Non-GAAP Measures because we believe that these and similar measures are widely used by certain investors as supplemental measures of performance and liquidity, and that this information, along with comparable French GAAP or IFRS measures, is useful to investors because it provides a basis for measuring and comparing our operating performance with other companies across the periods presented.

We present Non-GAAP Measures for informational purposes only. This information does not purport to represent the results we would have achieved had any of the transactions for which an adjustment is made occurred at the beginning of the periods presented or as of the dates indicated. Such measures and ratios may not accurately reflect our performance, liquidity or our ability to incur debt, have limitations as analytical tools, and should not be considered as alternatives to operating profit or profit or any other performance measures derived from or in accordance with French GAAP, IFRS or any other generally accepted accounting principles or as alternatives to cash flow from operating activities. The Non-GAAP Measures contained in these listing particulars are not intended to comply with the reporting requirements of the SEC, will not be subject to review by the SEC and certain measures would be prohibited from inclusion in documents furnished or filed with the SEC. These amounts have not been, and, in certain cases cannot be, audited, reviewed or verified by any independent auditor. This information is inherently subject to risks and uncertainties. It may not give an accurate or complete picture of our financial condition or results of operations for the periods presented and should not be relied upon when making an investment decision.

Furthermore, some of the limitations of EBITDA-based Non-GAAP Measures are that:

- they do not reflect our cash expenditures or future requirements for capital investments or contractual commitments;
- they do not reflect changes in, or cash requirements for, our working capital needs;
- they do not reflect the significant interest expense or cash requirements necessary to service interest or principal payments on our debt;
- they do not reflect any cash income taxes that we may be required to pay;
- they are not adjusted for all non-cash income or expense items that are reflected in our consolidated income statement;
- they do not reflect the impact of earnings or charges resulting from certain matters we consider not to be indicative of our ongoing operations;
- assets are depreciated or amortized over differing estimated useful lives and often have to be replaced in the future, and these measures do not reflect any cash requirements for such replacements;
- other companies in our industry and analysts may calculate these measures differently than we do, limiting their usefulness as comparative measures; and
- our calculation and presentation of EBITDA measures in these listing particulars is different from the calculation of Consolidated EBITDA contained in the section entitled "*Description of the Notes*" of these listing particulars and the Indenture. Accordingly, the EBITDA measures presented in these listing particulars do not provide precise indications as to the level of our adherence to the terms of the Indenture.

We present the following Non-GAAP Measures used in these listing particulars:

- **Acquisition Adjusted Revenue**. We define Acquisition Adjusted Revenue as our revenue for the twelve months ended September 30, 2023, adjusted as though Grupo Vendap, Crucial Meridien Alugatudo, Aerotecnica, Jamart

Location, Bernard Location and Uka Hauke Arbeitsbünhen (the "**Acquired Companies**") had been acquired as of October 1, 2022, instead of the actual date when the acquisitions occurred or were deemed to have occurred for accounting purposes, by taking into account the results of operations of the Acquired Companies, derived from their accounting records, up to the most recently available period, without adjusting for any other effects.

- **EBITDA.** We define EBITDA as (i) with respect to EBITDA calculated using financial information calculated on a French GAAP basis, total net income (loss) for the relevant period before depreciation, amortization and provisions, amortization of fair value adjustments to intangible assets, interest expense, current income tax and extraordinary income and expenses and (ii) with respect to EBITDA calculated using financial information calculated on an IFRS basis, profit/(loss) for the relevant period before income tax expense, net financial expense, non-recurring operating income and expenses, depreciation, amortization and impairment, share-based payments (IFRS 2) and additions to provisions for post-employment benefit obligations. There is no assurance that items we have identified as non-recurring will not recur in the future or that similar items will not be incurred in the future. The term "non-recurring" should not be construed as being used in accordance with the criteria as set forth in Item 10(c) of Regulation S-K under the Exchange Act.
- **EBITDA margin**. We define EBITDA margin as EBITDA as a percentage of the corresponding revenue for the relevant period.
- **Acquisition Adjusted EBITDA**. We define Acquisition Adjusted EBITDA as EBITDA, adjusted as though for the twelve months ended September 30, 2023, the Acquired Companies had been acquired as of October 1, 2022, instead of the actual date when the acquisitions occurred or were deemed to have occurred for accounting purposes, by taking into account the results of operations of the Acquired Companies, derived from their accounting records, up to the most recently available period, without adjusting for any other effects.
- **Cash conversion**. We define cash conversion as EBITDA (French GAAP or IFRS excluding IFRS 16 leases, as applicable), *less* maintenance capital expenditures (which represents purchases of rental equipment to replace our disposed fleet corresponding to the diminution of the rental equipment gross book value amount), *plus* the net book value of assets sold, as a percentage of EBITDA (French GAAP or IFRS excluding IFRS 16 leases, as applicable) for the relevant period.
- **Unlevered free cash flow**. We define unlevered free cash flow as EBITDA (French GAAP or IFRS excluding IFRS 16 leases, as applicable) for the relevant period, *less* gross capital expenditures, *plus* changes in net working capital, *plus* the net book value of assets sold, and including non-recurring items.

For an explanation and reconciliation of certain of these Non-GAAP Measures to the most directly comparable French GAAP or IFRS measure, see "*Summary—Summary historical consolidated financial and other data.*"

As adjusted financial information for the Transactions

We present in these listing particulars certain figures for cash, debt and interest expense on an as adjusted basis to reflect the impact of the Transactions. You should not place undue reliance on the as adjusted financial information. The as adjusted financial information has not been prepared in accordance with the requirements of Regulation S-X under the Securities Act, the Prospectus Regulation, the UK Prospectus Regulation or any generally accepted accounting standards. Neither the assumptions underlying the adjustments nor the resulting adjusted financial information have been audited in accordance with any generally accepted auditing standards. See also "*Risk factors—Risks related to our financial condition—The Acquisition Adjusted Financial Information and as adjusted financial information presented in this these listing particulars may not reflect our actual results of operations for the periods presented and are not indicative of our future operating performance.*"

LTM information

These listing particulars contain certain unaudited last twelve months consolidated financial information ("**LTM**") for the twelve months ended September 30, 2023, which has been calculated by adding financial information for the nine months ended September 30, 2023 to financial information for the year ended December 31, 2022, and subtracting financial information for the nine months ended September 30, 2022. The presentation of this information is not required under the relevant accounting standards. We present this data as it is the basis for certain ratios and as adjusted financial information included in these listing particulars that we believe is useful as supplemental measures for investors in assessing the impact of the Transactions and our ability to incur and service our debt, including the Notes. This data is not necessarily indicative of the results that may be expected for the year ending December 31, 2023, and should not be used as the basis for, or prediction of, an annualized calculation.

Rounding

Certain numerical figures set out in these listing particulars, including financial data presented in millions or thousands and certain percentages, have been subject to rounding adjustments and, as a result, the totals of the data in these listing particulars may vary slightly from the actual arithmetic totals of such information. Percentages and amounts reflecting

changes over time periods relating to financial and other data set forth in "*Management's discussion and analysis of financial condition and results of operations*" are calculated using the numerical data in our consolidated financial statements or the tabular presentation of other data (subject to rounding) contained in these listing particulars, as applicable, and not using the numerical data in the narrative description thereof.

MARKET AND INDUSTRY DATA

It is difficult to obtain precise industry and market information in our industry. These listing particulars contain market data and certain economic and industry data and forecasts pertaining to our business, as well as statements regarding our market position in the markets in which we operate. Unless otherwise indicated, such information is based on our analysis of multiple sources, including internal surveys, market research, government and other publicly available information, reports prepared by consultants and independent industry publications.

In preparing these listing particulars, the following sources, in particular, were used the 2022 ERA Equipment Rental Industry Report issued by the European Rental Association in October 2023 (the "**ERA 2022 Market Report**") and the 96th Euroconstruct Summary and Country Reports (December 2023 edition) issued by Euroconstruct Group (the "**Euroconstruct Report**" together with the ERA 2022 Market Report, the "**Market Reports**").

We believe the information obtained from the Market Reports has been accurately reproduced. Industry surveys and publications generally state that the information contained therein has been obtained from sources believed to be reliable, but the accuracy and completeness of information contained therein is not guaranteed. The information in the Market Reports may not reflect or accurately represent the current or forecasted state of the market and may not anticipate known and unknown risks, uncertainties and other factors that may cause actual industry results to be materially different from those contemplated by these Market Reports. Subject to the foregoing, neither us nor the sources of the Market Reports assume any liability for, or offer any guarantee of, the accuracy of the data in the studies and third-party sources contained in these listing particulars or for the accuracy of data on which estimates are based. In particular, market studies and analyses are frequently based on information and assumptions that may not be accurate or technically correct, and their methodology is by nature forward-looking and speculative.

Similarly, internal company analyses and surveys, while believed by us to be reliable, have not been verified by any independent sources, and neither we nor any of the Initial Purchasers make any representation as to the accuracy of such information. In addition, certain information presented in these listing particulars regarding the market position of the Group and its competitors reflects management's best estimates based upon information obtained from trade and business organizations, observations of the marketplace informed by management's experience of our industry and the markets in which we are present, as well as information published by our competitors. While we believe our internal estimates to be reasonable, these estimates have not been verified by any independent sources and neither we nor the Initial Purchasers can assure you as to their accuracy or the accuracy of the underlying assumptions used to estimate such data.

While we are not aware of any misstatements regarding any industry or similar data presented herein, such data involve risks and uncertainties and are subject to change based on various factors, including those discussed under the "*Risk factors*" section in these listing particulars.

TRADEMARKS AND TRADE NAMES

We own or have rights to trademarks, service marks, copyrights and trade names that we use in conjunction with the operation of our business, many of which are registered under applicable intellectual property laws. Solely for convenience, trademarks and trade names referred to in these listing particulars may appear without the "®" or "™" symbols, but such references are not intended to indicate, in any way, that we will not assert, to the fullest extent possible under applicable law, our rights or the rights of the applicable licensor to these trademarks and trade names.

These listing particulars also include trademarks, service marks and trade names of other companies. Each trademark, service mark or trade name of any other company appearing in these listing particulars belongs to its holder. Use or display by us of other parties' trademarks, service marks or trade names is not intended to and does not imply a relationship with, or endorsement or sponsorship by us of, the trademark, service mark or trade name owner.

CERTAIN DEFINITIONS USED IN THESE LISTING PARTICULARS

Unless indicated otherwise in these listing particulars or the context requires otherwise, each reference to:

- "**2026 Fixed Rate Notes**" means the €460.0 million aggregate principal amount of the Issuer's 3.375% Senior Secured Notes due 2026 issued under the 2026 Indenture, which are described in more detail under "*Description of certain financing arrangements—2026 Notes*";

- "**2026 Floating Rate Notes**" means the €400.0 million aggregate principal amount of the Issuer's Senior Secured Floating Rate Notes due 2026 issued under the 2026 Indenture, which are described in more detail under "*Description of certain financing arrangements—2026 Notes.*" The 2026 Floating Rate Notes are subject to the Exchange Offer being made concurrently with the Offering and the Tender Offer;

- "**2026 Indenture**" means the indenture governing the 2026 Notes, dated December 12, 2019, among, *inter alios*, the Issuer, the Guarantors, the trustee thereunder and the Security Agent, as amended, restated or otherwise modified or varied from time to time;

- "**2026 Notes**" means, together, the 2026 Fixed Rate Notes and the 2026 Floating Rate Notes;

- "**2027 Indenture**" means the indenture governing the 2027 Notes, dated February 1, 2023, among, *inter alios*, the Issuer, the Guarantors, the trustee thereunder and the Security Agent, as amended, restated or otherwise modified or varied from time to time;

- "**2027 Notes**" means the €200.0 million aggregate principal amount of the Issuer's Senior Secured Floating Rate Notes due 2027 issued under the 2027 Indenture, which are subject to the Tender Offer being made concurrently with the Offering and the Exchange Offer. We may redeem some or all of any 2027 Notes that are not tendered in the Tender Offer in accordance with the 2027 Indenture;

- "**AB Matériels**" means AB Matériels S.A.S., a *société par actions simplifiée* organized under the laws of France under number 409 239 449 R.C.S. Lille, with its registered office at 1, rue des Précurseurs, 59664 Villeneuve-d'Ascq, France, which subsequently merged into Kiloutou S.A.S. on May 2, 2022;

- "**Acquired Companies**" means, collectively, Grupo Vendap, Crucial Meridien Alugatudo, Aerotecnica, Jamart Location, Bernard Location and Uka Hauke Arbeitsbünhen;

- "**Aerotecnica**" means Aerotecnica S.p.A., a *società per azioni* organized under the laws of Italy under number 1039850480, with its registered office at Via del Colle N 66 Calenzano Fl 50041, Italy;

- "**Agents**" means, collectively, the Calculation Agent, any Paying Agent, the Registrar, the Transfer Agent, the Security Agent and the Listing Agent, each as identified on the back inside cover of these listing particulars;

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

- "**Almaq**" means Almaq S.A.U., a *sociedad anónima unipersonal* organized under the laws of Spain under registration number Z 11 881, with its registered office at 1 Polígono La Cartuja Baja, Nave 1, 50720 La Cartuja Baja, Zaragoza, which subsequently merged with and into Kiloutou España S.A. on May 18, 2022;

- "**Bernard Location**" means Bernard Location S.A.S., a *société par actions simplifiée* organized under the laws of France under number 409 520 038 R.C.S. Lille, with its registered office at 1, rue des Précurseurs, 59664 Villeneuve-d'Ascq, France;

- "**Clearstream**" means Clearstream Banking S.A., or any successor thereof;

- "**Collateral**" has the meaning set forth in "*Summary—The Offering—Security*";

- "**Crucial Meridian**" means Crucial Meridian, Unipessoal Lda, a *sociedade por quotas* organized under the laws of Portugal under number 516940031, with its registered office at Estrada Nacional, 118 KM 22, Vil Figueiras, Portugal;

- "**Danish kroner**" or "**DKK**" means the lawful currency of Denmark;

- "**Diaz Miquelez**" means Diaz Miquelez S.L.U., a *sociedad limitada unipersonal* organized under the laws of Spain under number B26205237, with its registered office at Polígono Industrial la Portalada, Calle Planillo, 2, 26006 Logroño, La Rioja, Spain, which subsequently merged with and into Kiloutou España S.A. on May 18, 2022;

- "**Diaz Miquelez Montajes**" means Diaz Miquelez Montajes S.L., a *sociedad limitada* organized under the laws of Spain under number B26370601, with its registered office at Polígono Industrial la Portalada, Calle Planillo, 2, 26006 Logroño, La Rioja, Spain, which subsequently merged with and into Kiloutou España S.A. on May 18, 2022;

- "**EEA**" means the European Economic Area;

- "**EU**" means the European Union as of the Issue Date;

- "**euro**," "**€**" or "**EUR**" means the single currency of the Member States of the EU participating in the third stage of the economic and monetary union pursuant to the Treaty on the Functioning of the European Union, as amended or supplemented from time to time;

- "**Euroclear**" means Euroclear Bank SA/NV or any successor thereof;

- "**Exchange**" means the Luxembourg Stock Exchange;

- "**Exchange Act**" means the U.S. Securities Exchange Act of 1934, as amended;

- "**Exchange Notes**" means the Senior Secured Floating Rate Notes due 2030 offered in exchange for the 2026 Floating Rate Notes in the Exchange Offer. Any Exchange Notes issued are issued under the Indenture on the Issue Date and have identical terms as, and form a single class with, the Notes;

- "**Exchange Offer**" means the offer, made concurrently with the Offering and the Tender Offer, by the Issuer to eligible holders of the 2026 Floating Rate Notes to exchange 2026 Floating Rate Notes for Exchange Notes and accrued and unpaid interest;

- "**Existing Proceeds Loans**" means the intercompany loans described in more detail under "*Description of certain financing arrangements—Existing Proceeds Loans*";

- "**French GAAP**" means generally accepted accounting principles in France;

- "**Grupo Vendap**" means Grupo Vendap S.A., a *sociedade anónima* company incorporated under the laws of the Republic of Portugal, with its registered address at Estrada Nacional 118, Km 22, Vale Figueiras, Porto Alto, Samora Correia, Benavente, Portugal;

- "**Grupo Vendap Acquisition**" means the acquisition of Grupo Vendap by the Group, which occurred on November 2, 2022, and the transactions related thereto;

- "**Grupo Vendap Facility**" means the term loan facility acquired in connection with the Grupo Vendap Acquisition. See "*Description of certain financing arrangements—Grupo Vendap Facility*";

- "**Grupo Vendap Facility Agreement**" means the facility agreement, dated February 6, 2020, as amended November 2, 2022, among Grupo Vendap as borrower and Banco Santander Totta and Banco BPI as lenders;

- "**GSV**" means G.S.V. Materieludlejning A/S, a Danish public limited liability company with its registered address at Baldersbuen 5, Baldersbrønde 2640 Hedehusene, Denmark, CVR no. 51 45 75 28, including the entities merged therewith in connection with the GSV Acquisition;

- "**GSV Acquisition**" means the acquisition of GSV by the Group, which occurred on April 7, 2022, and the transactions related thereto;

- "**Holbæk Lift**" means Holbæk Lift & Materieludlejning A/S, an *Aktieselskab (A/S)* company incorporated under the laws of the Republic of Denmark, with its registered address at Sophienlundsvej 4m 4300 Holbæk, Denmark, which subsequently merged with and into GSV on June 7, 2023;

- "**Guarantors**" means Kiloutou S.A.S., Kiloutou Module S.A.S. and Kiloutou Danmark;

- "**IFRS**" means the International Financial Reporting Standards issued by the International Accounting Standards Board, as adopted by the EU;

- "**Indenture**" means the indenture governing the Notes, to be dated the Issue Date, among, *inter alios*, the Issuer, the Guarantors, the Trustee and the Security Agent, as amended, restated or otherwise modified or varied from time to time;

- "**Initial Purchasers**" means, collectively, Crédit Agricole Corporate and Investment Bank, J.P. Morgan SE, BNP Paribas, Natixis and Société Générale;

- "**Intercreditor Agreement**" means the Intercreditor Agreement, dated December 12, 2019, among, *inter alios*, the Issuer, the Guarantors, the trustee for the 2026 Notes, the trustee for the 2027 Notes, the agent under the Revolving Credit Facility Agreement, the agent under the Senior Term Loan Facility and the Security Agent, and to which the Trustee acceded on the Issue Date, as amended, restated or otherwise modified or varied from time to time, which is described in more detail under "*Description of certain financing arrangements—Intercreditor Agreement*";

- "**Issue Date**" means February 5, 2024;

- "**Jamart Location**" means Jamart Location Modulaire, S.A.S.U. a *société par actions simplifiée unipersonnelle* organized under the laws of France under number 433 937 646 R.C.S. Amiens, with its registered office at 13 Rue De Nesle, 80200 Estrées-Deniécourt, France;

- "**Jean-Bart-Location**" means Société Jean Bart Location, S.A.S. a *société par actions simplifiée* organized under the laws of France under number 077 250 793 R.C.S. Lille, with its registered office at 1, rue des Précurseurs, 59664 Villeneuve-d'Ascq, France, which subsequently merged with and into Kiloutou S.A.S. on April 1, 2022, which subsequently merged with and into Kiloutou S.A.S. on April 1, 2022;

- "**Kiloutou Danmark**" means Kiloutou Danmark ApS, a private limited liability company organized under the laws of Denmark under CVR number 43155598, with its registered address at C/O GSV Materieludlejning A/S Baldersbuen 5, Baldersbrønde, 2640 Hedehusene, Denmark;

- "**La Centrale de Location**" means La Centrale de Location, S.A.S. a *société par actions simplifiée* organized under the laws of France under number 498 705 425 R.C.S. Lille, with its registered office at 1, rue des Précurseurs, 59664 Villeneuve-d'Ascq, France, which subsequently merged with and into Kapla Holding S.A.S. on October 1, 2021;

- "**Locamodul**" means Locamodul, S.A.S. a *société par actions simplifiée* organized under the laws of France under number 525 030 565 R.C.S. Lille, with its registered office at 1, rue des Précurseurs, 59664 Villeneuve-d'Ascq, France, which subsequently merged with and into Kiloutou Module S.A.S. on November 30, 2020;

- "**MC Location**" means MC Loc, S.A.S. a *société par actions simplifiée* organized under the laws of France under number 752 356 774 R.C.S. Lille, with its registered office at 1, rue des Précurseurs, 59664 Villeneuve-d'Ascq, France, which subsequently merged with and into Kiloutou Module S.A.S. on July 1, 2021;

- "**Member State**" means a member state of the EEA;

- "**Notes**" means the Issuer's Senior Secured Floating Rate Notes due 2030 offered hereby;

- "**Notes Guarantees**" means the guarantees of the Notes by the Guarantors;

- "**Offering**" means the offering of the Notes and the Notes Guarantees pursuant to the offering memorandum;

- "**PGE Loan**" means loan guaranteed by the French State (*Prêt Garanti par l'Etat*), of which €25.0 million remains outstanding under the state-guaranteed facility agreement, dated July 20, 2020, among, *inter alios*, Kiloutou S.A.S., as borrower, BNP Paribas, as agent, and the original lenders listed therein, which is described in more detail under "*Description of certain financing arrangements—PGE Loan*";

- "**Revolving Credit Facility**" means the €180.0 million super senior revolving credit facility established under the Revolving Credit Facility Agreement, which is described in more detail under "*Description of certain financing arrangements—Revolving Credit Facility Agreement*";

- "**Revolving Credit Facility Agreement**" means the super senior revolving facility agreement, dated December 12, 2019, among, *inter alios*, the Issuer, as original borrower and original guarantor, BNP Paribas, as facility agent and security agent, and the arrangers and lenders listed therein, as amended, restated or otherwise modified or varied from time to time, which is described in more detail under "*Description of certain financing arrangements—Revolving Credit Facility Agreement.*" See also "*Summary—The Transactions—Extension and amendment of Revolving Credit Facility maturity*";

- "**Salmat**" means Salmat, S.A.S. a *société par actions simplifiée* organized under the laws of France under number 329 924 310 R.C.S. Lille, with its registered office at 1, rue des Précurseurs, 59664 Villeneuve-d'Ascq, France, which subsequently merged with and into Kiloutou S.A.S. on May 1, 2022, which subsequently merged with and into Kiloutou S.A.S. on April 1, 2022;

- "**Samlloc Modulaire**" means Samlloc Modulaire, S.A.S. a *société par actions simplifiée* organized under the laws of France under number 833 654 361 R.C.S. Lille, with its registered office at 1, rue des Précurseurs, 59664 Villeneuve-d'Ascq, France, which subsequently merged with and into Kiloutou Module S.A.S. on November 30, 2020;

- "**SEC**" means the U.S. Securities and Exchange Commission;

- "**Securities Act**" means the U.S. Securities Act of 1933, as amended;

- "**Security Agent**" means BNP Paribas, as security agent under the Indenture, the 2026 Indenture, the 2027 Indenture, the Revolving Credit Facility Agreement and the Intercreditor Agreement;

- "**Security Documents**" has the meaning set forth in "*Description of the Notes—Certain definitions*";

- "**Senior Term Loan Facility**" means the €25.0 million term facility established under the Senior Term Loan Facility Agreement;

- "**Senior Term Loan Facility Agreement**" means the senior term loan facility agreement, dated November 23, 2022, among the Issuer, certain lenders, Crédit Lyonnais as Coordinator, Sustainability Coordinator and Sustainability Agent, GLAS SAS, as Facility Agent, and the Security Agent, as amended, restated or otherwise modified or varied from time to time, which is described in more detail under "*Description of certain financing arrangements—Senior Term Loan Facility Agreement*";

- "**Sponsors**" means (i) HLDI, a holding company controlled by Dentressangle S.A.S., and its affiliates, and (ii) HLD Europe, an investment group, and its affiliates;

- "**Stimulus Bonds**" means, collectively, the €49.0 million of state-guaranteed stimulus bonds (*Obligations Relance*) issued on November 25, 2022 and the €5.0 million of state-guaranteed stimulus bonds (*Obligations Relance*) issued on December 29, 2023, which are described in more detail under "*Description of certain financing arrangements— Stimulus Bonds*";

- "**Tender Offer**" means the offer, made concurrently with the Offering and the Exchange Offer, to eligible holders of the 2027 Notes to tender their 2027 Notes for repurchase by the Issuer;

- "**Transactions**" has the meaning described in "*Summary—The Transactions*";

- "**Trustee**" means BNY Mellon Corporate Trustee Services Limited, in its capacity as trustee for the holders of the Notes;

- "**Uka Hauke Arbeitsbünhen**" means UKA + HAUKE GmbH, a German limited liability company (*Gesellschaft mit beschränkter Haftung*) organized under the laws of Germany under registration number HRB 515335, with its registered office at Am Knick 11, 22113 Oststeinbek, Germany;

- "**United Kingdom**" or "**UK**" means the United Kingdom of Great Britain and Northern Ireland;

- "**United States**" or "**U.S.**" means the United States of America, its territories and possessions, any state of the United States of America and the District of Columbia;

- "**U.S. dollars**," "**dollars**," "**$**" or "**USD**" means the lawful currency of the United States; and

- "**Wiesecker Werkzeugvermietung**" means Wiesecker Werkzeugvermietung, GmbH, a German limited liability company (*Gesellschaft mit beschränkter Haftung*) organized under the laws of Germany under registration number HRB18771, with its registered office at am Nordpark 1 - 41069 Möndchengladbach, Germany, which subsequently merged with and into Kiloutou Deutschland GmbH on June 10, 2022.

In addition to the terms defined above, and except where the context otherwise requires, the terms "**Group**," "**we**," "**our**" and "**us**" refer to the Issuer and its subsidiaries.

SUMMARY

This summary highlights information from these listing particulars. It is not complete and does not contain all of the information that you should consider before investing in the Notes. You should read these listing particulars carefully in its entirety, including the sections entitled "Management's discussion and analysis of financial condition and results of operations," "Business," "Industry," as well as our consolidated financial statements and the notes thereto included elsewhere in these listing particulars. See the section entitled "Risk factors" for factors that you should consider before investing in the Notes and the section entitled "Forward-looking statements" for information relating to the statements contained in these listing particulars that are not historical facts.

Overview

We believe we are the third largest generalist equipment rental player in Europe and the second largest player in our largest market, France, based on rental revenue, serving the construction, civil works, craftspeople, services, industrial and events sectors. We hold leading positions across Europe, where we believe that we are the largest player in Denmark and Portugal, the third largest player in Italy, the fourth largest player in Poland and the fifth largest player in Spain. As of September 30, 2023, we had a network of 595 branches offering a rental fleet that comprises over 265,000 tools and pieces of equipment (excluding accessories) of approximately 1,000 different types to over 400,000 customers across seven countries. We generated Acquisition Adjusted Revenue of €1,196.3 million and Acquisition Adjusted EBITDA of €457.1 million for the twelve months ended September 30, 2023.

We started our business with a focus on tools and light equipment. Over time, we have grown this offering and diversified our offering to provide a wide array of complementary heavy equipment as well as value-adding services, creating a one-stop-shop for both professional customers (business-to-business) and individuals (business-to-consumer) looking for solutions for a variety of projects and construction works.

We generate our revenue from two principal activities: Rental and Services. For the twelve months ended September 30, 2023, €768.4 million, or 64.9%, of our revenue was derived from our Rental activities and €414.9 million, or 35.1%, was derived from our Services activities.

- **Rental activities.** We rent both heavy and light equipment and tools to a diversified customer base including construction and civil work companies, craftspeople, public entities, industrial companies, events companies and, to a lesser extent, individuals. We offer one of the largest catalogues of rental equipment across four product categories: Tools and Light Equipment, Earthmoving, Access and Utility Vehicles, which accounted for 33.6%, 21.1%, 30.8% and 6.2%, respectively, of our French Rental revenue activities in the year ended December 31, 2022. Our Specialist business lines comprise, in all our geographies, seven product categories: Power, Module, Events, Signaling, Fixed Scaffolding, Portable Toilets and Industrial Forklifts.

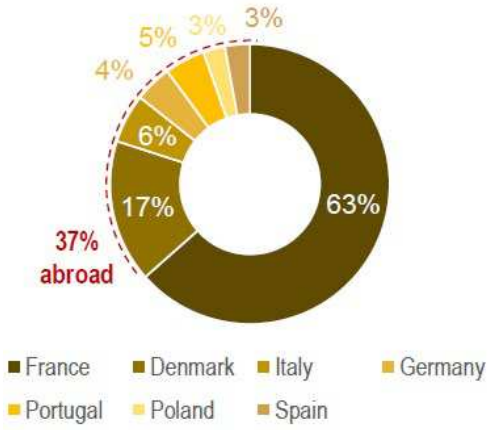
- **Services activities.** We offer services that are directly associated with our Rental activities, as well as other services that cater to our customers' requirements. Our Services activities includes the following activities: transportation and delivery of equipment, sale of consumables (such as ancillary products that are fitted to equipment we rent, as well as cross-sales of other products, such as diamond blades and sandpaper, safety equipment and oil) and spare parts adapted to our equipment rental offering, sale of insurance policies offered to customers in connection with our rental agreements, cleaning and repair services for the maintenance of our equipment, fuel for equipment and vehicles, customer trainings and various other activities such as the sale of products or subrental of equipment. Our two largest Services categories, Transportation and Delivery and Consumables, accounted for 32.4% and 19.1%, respectively, of revenue within our Services activities for the twelve months ended September 30, 2023.

Historically located in Lille, we have progressively expanded our reach into key industrial and populated areas in France, building a dense network of 459 branches covering all regions in which we operate. We also began expanding our business internationally in 2014 with the acquisition of two companies in Poland. As of September 30, 2023, we had 136 branches in Denmark, Italy, Germany, Spain, Poland and Portugal with a total of 595 branches across Europe.

We believe that our dense network in France contributes to strong branch visibility and, ultimately, to strong brand recognition. Our business model is based on a decentralized approach that allows our clusters to have a high degree of autonomy and responsibility. Cluster and branch managers have a solid knowledge of their local markets and are in a strong position to build long-lasting relationships with local customers, which we believe enable them to react quickly, efficiently and precisely to their specific geographic markets. We intend to continue to apply the same business model to the other countries in which we operate as we expand our international network.

The chart below shows our Acquisition Adjusted Revenue by geography for the twelve months ended September 30, 2023.

Total Acquisition Adjusted Revenue by geography
for the twelve months ended September 30, 2023



We estimate that we own the third largest equipment rental fleet in Europe in terms of gross book value, with a gross book value of €2.1 billion as of September 30, 2023 (excluding IFRS 16 leases), out of which 40% are assets financed by leasing. We have historically heavily invested in our operations to modernize our equipment fleet and improve our service offering, which we believe has positioned us well to capture future market growth, driven by increasing customer preference for renting rather than owning equipment, as well as increasing our favorable penetration rates in our geographic markets. As of December 31, 2022, our young equipment fleet within our French Generalist business line had an estimated weighted average age of 4.9 years (compared to 5.3 years in 2016) and an estimated weighted average useful life of over 10 years. Offering a relatively new fleet allows us not only to provide our customers with modern and well-functioning equipment but also to better manage our repair and maintenance costs. We believe that the high quality of our equipment fleet is highly regarded by our customers.

We offer innovative solutions to accommodate our customers' changing needs, which cannot be easily replicated by smaller competitors. Our innovative solutions include:

- **KARE**, our portable safety equipment offering tailored to increase worker safety on construction sites. It includes connected and intelligent safety vests equipped with an anti-collision system designed to prevent collisions between pedestrian employees and machines, as well as ergonomic support equipment such as ergo-skeletons and zero-gravity arms, which are wearable devices that assist operators in lifting small heavy objects. KARE received the 2023 Innovation award for *Safety on Worksite Production* at the Preventica Paris fair;

- **YOUSE**, our pioneering digital solution designed to facilitate the sharing and secure management of equipment fleets between in-house workers and service providers on the same construction site. As such, it reduces customers' rental costs, worksite inefficiencies and carbon emissions. Together with KARE, YOUSE received the 2023 Best Innovation award among French rental companies from BTP Magazine and Groupe Cayola; and

- **Integrated Online Experience**, our digital initiative which aims to streamline our customers' experience through our websites and applications. This enables customers to effortlessly view their invoices, manage their rented equipment and access real-time telematics information about their equipment usage. Designed for ease and efficiency, our integrated approach enhances customer interaction through our e-commerce platforms. In particular, our new French e-commerce platform, which we released in early 2023, has earned three prizes: the Best Online + Offline Purchasing Experience by LSA magazine, the Design & User Experience silver award and public award at the e-commerce trophies event and the Best Lead Generation Funnel awarded by Content Square In addition, in recognition of our strong digital outreach strategy, we received the Digital External Communication Silver Award by Top-Com.

We also invest in solutions consistent with our commitment to sustainability and are working on pilot projects that are expected to reduce indirect emissions from our activities. We are accelerating the replacement of our fleet of heavy vehicles and vans used to deliver equipment with alternative-energy vehicles (fueled by liquefied natural gas or compressed natural gas) and transitioning to alternative-energy equipment. We are also continuing our branch renovation construction program and launching a range of more than 3,500 alternative energy equipment types to help construction and public works customers transition to a low-carbon policy.

We believe that the size and density of our network, our large and well-diversified customer base and the quality of our fleet constitute key competitive advantages that enable us to gain market share and increase the efficiency of our operations, as well as to secure repeat business. These competitive advantages and the attractive underlying fundamentals of the equipment rental industry have enabled us to deliver strong financial performance historically, with our revenue growing at a compound annual growth rate ("**CAGR**") of 10.3% between 2005 and the twelve months ended September 30, 2023.

Our competitive strengths

We believe that we have a number of core competitive strengths that enable us to compete effectively in our markets, which are discussed further below.

Leading pan-European equipment rental provider with established positioning in core markets

We believe that we are the third largest player operating in the European generalist rental equipment market based on rental revenue, with a network of 595 branches across seven countries as of September 30, 2023. We have established our leading position in the European market by developing and expanding our network both organically and through a series of successful bolt-on acquisitions, while cultivating a well-recognized brand that is known for strong market and technical expertise and building a large, high-quality fleet. We are also recognized for the quality of our equipment and services, our prices, product availability, network and proximity to and knowledge of our customers. We estimate that our fleet of over 265,000 tools and pieces of equipment (excluding accessories) is the third largest in the European market in terms of gross book value, with a gross book value of €2.1 billion as of September 30, 2023 (excluding IFRS 16 leases), out of which 40% are assets financed by leasing.

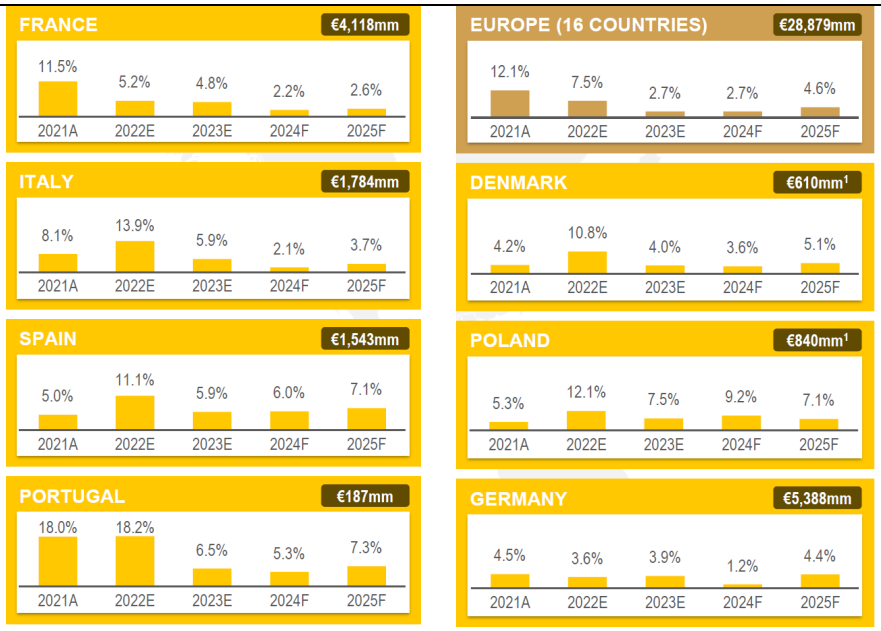
In France, which is our largest market, we believe we are the second largest player (based on rental revenue), with a dense network of 459 branches as of September 30, 2023. Together with the largest player, we believe that we held approximately 40% of the market share in 2022. We believe none of the smaller regional players hold more than approximately 4% of market share as of 2022.

Based on management estimates, we estimate that we are the largest player in Denmark and Portugal, respectively, in each case based on revenue. We also believe we are the third largest player in Italy, the fourth largest player in Poland and the fifth largest player in Spain. In addition, we have a significant presence in Germany, where we currently primarily offer Access equipment. Since 2014, we have significantly expanded our international footprint with a combination of organic development and opportunistic, value-accretive acquisitions. We have leveraged the know-how we have cultivated from our extensive experience in France to build a strong presence in our other markets. As such, we have increased our share of revenue outside of France from 13.8% in 2018 to 36.5% in the twelve months ended September 30, 2023.

Supportive long-term rental market trends with growth outlook

We expect to benefit from the positive medium-term outlook of the European equipment rental market as well as the larger European construction market, underpinned by a structural shift towards equipment rental over ownership. According to the ERA 2022 Market Report, the total size of the European equipment rental market was estimated to be €28.9 billion in terms of revenue in 2022, with an estimated growth of 7.5% in 2022 and 2.7% in 2023. Although growth rates are expected to contract in 2023 and 2024, by 1.1% and 0.7%, respectively, the market is expected to rebound in 2025, with a 1.4% growth outlook.

Our seven geographic markets set out below were among the top twelve equipment rental markets in Europe in 2023 and are expected to grow in the medium term, as illustrated below.



Source: ERA Market Report 2022 | €mm Rental Turnover 2022 Estimates
Note 1: Rental turnover 2022 estimates are in €mm-equivalent based on the exchange rate of the ERA 2022 Market Report: EUR/DKK of 7.4 and EUR/PLN of 4.7

In France, which accounted for 62.8% of our Acquisition Adjusted Revenue for the twelve months ended September 30, 2023, the equipment rental market value in terms of revenue in 2022 was estimated to €4.1 billion, with approximately 65% of rental revenue estimated to stem from demand in the construction sector. According to the ERA, the market in France is expected to grow by 2.2% in 2024 and 2.6% in 2025, driven by an increase in rental volume growth (resulting from both the construction market growth and increasing rental penetration rate) as well as a steady rental price growth.

In our international markets, we believe we are well-positioned to take advantage of market growth and also to benefit from bolt-on acquisitions.

We expect that the consistent increase in demand for equipment rental in our principal markets will continue in the coming years, supported by the following positive fundamental trends:

- an increase of global urbanization with two-thirds of the world population expected to be living in urban areas by 2050 (as opposed to 55.0% in 2018);
- an increasing preference for renting rather than owning equipment, as a result of customer perception that renting (i) reduces the cost for low-usage equipment (rental companies can obtain better purchase prices and resale value, better manage annual repair and maintenance costs and optimize equipment utilization rate), (ii) optimizes the split between operational expenditures and capital expenditures by reducing the fixed costs of maintaining and replacing an equipment fleet, and (iii) eliminates disposal risks;
- an ongoing shift towards a "sharing economy" and a more sustainable and environmentally friendly business model (renting improves cost-effectiveness and operational flexibility while minimizing waste, financial risks, barriers to entry by reducing operational complexity (*e.g.*, a reduced fleet size demands fewer procurement, maintenance, logistics and asset disposal activities) and carbon footprint resulting from owned machines with low utilization rates);
- the use of digital technology by rental companies, which enables them to control in real-time the customer relationship, promotes an increase in sales by enhancing the speed and quality of the customer journey and automating order requests (*e.g.*, with the use of telematics technologies), allowing customers to better manage their rented fleet;
- a shortage of skilled technicians to repair and maintain equipment, which favors outsourcing technical expertise for strategic activities and reduces the need for support functions linked to equipment usage; and
- increasing awareness of health safety and environment ("**HSE**") issues and related legislation and regulation, with equipment rental tailored to health and safety norms requiring specific equipment, facilitating the fulfillment of local regulations and providing safer, well-serviced equipment.

These trends are further reinforced by structural strengths in the equipment rental industry, namely the increasing preference among our customers to manage costs, capital expenditures and utilization unpredictability and to outsource the management associated with increasingly complex equipment and tools, particularly in connection with increasing safety regulations.

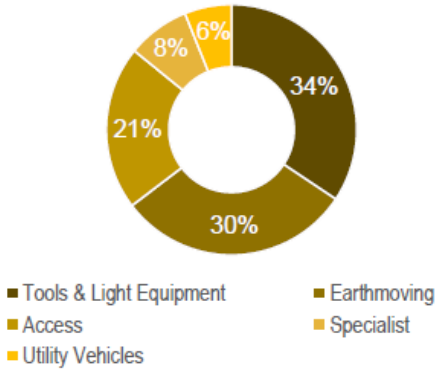
Therefore, we believe that the European equipment rental market is structurally attractive and we are well positioned to reach the untapped potential customer base in the European market and to take advantage of opportunities for growth in the medium- and long-term.

Unique value proposition with strong competitive advantages

One-stop-shop for customers

We are a true one-stop-shop equipment rental company with a significant market presence, which allows us to lead and compete across multiple business lines and product categories and to provide a seamless and high-quality experience to our broad customer base. We give our customers access to a fleet encompassing a wide and differentiated range of both generalist and specialist equipment meeting a variety of needs for earthmoving, aerial work, handling, compaction, tools and light equipment that can be used in a variety of projects, as well as utility vehicles, energy and pumping solutions, modules and events solutions. The chart below shows our revenue breakdown by product category in France for the year ended December 31, 2022.

Product category revenue breakdown in France
for the year ended December 31, 2022



The superior quality of our fleet is highly recognized by customers. As of December 31, 2022, we operated a fleet of more than 265,000 tools and pieces of equipment (excluding accessories) of approximately 1,000 different types.

In addition, in 2021 and 2022, we invested €116.2 million and €266.2 million, respectively, in our fleet and, as a result, as of December 31, 2022, we had a young fleet within our French Generalist business line with an estimated weighted average age of 4.9 years (compared to 5.3 years in 2016) and an estimated weighted average useful life of over ten years. Furthermore, we have limited equipment supplier concentration, which we believe enhances our ability to negotiate better prices when replacing or purchasing new equipment and gives us flexibility when sourcing our products.

In addition to equipment rentals, we offer high-quality value-adding services to our customers, including transportation and delivery, cleaning, repair and maintenance, as well as logistics and training. Offering multiple products and services to a diversified customer base across a number of end markets creates significant cross-selling opportunities and synergies across our business lines and allow us to operate more efficiently. Our services are integral to our business model, complementing our rental offering and, we believe, increasing customer satisfaction and retention.

Our products and services are offered through our dense and capillary branch network (particularly in France) comprised of 595 branches as of September 30, 2023, strategically located across our seven geographies. Our French generalist network is spread across all departments (other than Corsica) with 459 branches, where 427 Generalist branches are organized within 59 clusters. We carefully select the location of our branches in order to optimize our network. The density of our network helps us stay close to our customers. Given our local staff's superior knowledge of their respective markets, we trust local management with a high degree of autonomy and responsibility in their operations in order to better understand local customers' needs and respond quickly to their changing requirements.

High-quality customer service

Our customer-centric approach is critical to our commercial success and the resilience of our business model. This approach allows us to create deeper relationships with customers and develop tailored and innovative solutions (such as our connected vest offering) that meet our customers' most complex requirements, help them grow their businesses, control costs and operate more efficiently. The breadth and depth of our fleet, the density of our branches and our value-adding services give us the flexibility we need to meet our customers' evolving needs. As our customers respond to a rapidly changing environment, we in turn adapt our product portfolio and services offering, through both organic growth and targeted acquisitions. We believe that many of our professional customers consider us to be a trusted partner in their day-to-day operations, principally as a result of the wide range of products available across our fleet, our reliability and our complementary services offering.

Our focus on superior customer service has further strengthened our brand and enhanced our ability to attract and retain customers across our broad geographic coverage. As of December 31, 2022, approximately 83% of our revenue was derived from recurring customers (defined as customers to whom a sale has been made in two consecutive years). We monitor our customers' satisfaction by conducting monthly surveys with approximately 1,500 customers. Our Net Promoter Score ("**NPS**") (*i.e.*, the difference between the share of satisfied promoters (satisfaction grade between nine and ten) and the share of detractors (satisfaction grade between one and six)) consistently grew over the past seven years (from 30.3% in 2016 to 53.7% as of September 30, 2023). In Denmark, our NPS reached approximately 75% as of September 30, 2023. As a testament to our sustained efforts to prioritize customer satisfaction, we were chosen as a favorite French brand (*Marque Préférée des Français*) in 2023 in the professional equipment rental category.

Best-in-class fleet management

Our business model also relies on our best-in-class fleet management capabilities. The high quality of our fleet, combined with our approach to fleet management, is a core part of providing a superior customer experience and maintaining our profitability. Our focus on preventive and regular equipment maintenance, which is conducted by our highly skilled team of technicians, allows us to improve the utilization rates of our products and better manage capital expenditure levels dedicated for the maintenance or expansion of our fleet, while also ensuring customer and employee safety. Our fleet management capabilities are in addition to our superior logistics know-how which, supported by our dense and capillary branch network, ensures timely delivery to our customers.

Furthermore, we are able to maximize the resale value of our products (*i.e.*, sale price divided by purchase price) by keeping a young fleet and using a dedicated resale platform. Our fleet management has resulted in an average resale value growth of 11.4% since 2016 (consistently increasing from 28.0% in 2016 to 39.4% for the year ended December 31, 2022, while also reducing our maintenance costs (11.7% as a percentage of rental revenue in 2016 to 11.4% in the historical perimeter for the year ended December 31, 2022).

Digital pioneer and optimized IT system

We believe that digital technology is and will increasingly be a key driver of success in our market and we therefore invest heavily in our digital capabilities. Over the years, we have been at the forefront of the digital offering of equipment rental in Europe, developing reliable, versatile and efficient in-house technology platforms that support our products and services. As such, we multiplied our digital revenues in France by 11 times from €1.9 million for the year ended December 31, 2019, to €21.9 million for the year ended December 31, 2022. Our new French e-commerce platform, which we released in early 2023, has earned three prizes: the Best Online + Offline Purchasing Experience by LSA magazine, the Design & User Experience silver award and public award at the e-commerce trophies event and the Best Lead Generation Funnel awarded by Content Square.

We also recently launched YOUSE, a pioneering digital solution in the construction sector, designed to facilitate the sharing and secure management of equipment fleets between in-house workers and service providers on the same construction site. As such, it reduces customers' rental costs, worksite inefficiencies and carbon emissions. Together with KARE, YOUSE received the 2023 Best Innovation award among French rental companies from BTP Magazine and Groupe Cayola, showcasing our leadership in the digital rental space.

Digitalization and an optimized IT system help optimize both external and internal processes. Our website and app in France received approximately 8.1 million visitors in 2022 and provide customers with an integrated online booking system by which they can make a reservation, rent equipment and review invoices, as well as request technical intervention and contact our representatives for any queries. These features are critical to ensuring a quicker and more efficient customer experience and help improve our sales. Further, we have invested to equip our fleet with telematics technologies to generate real-time information for our customers and our internal operations, thus better optimizing our utilization rates and further reinforcing the flexibility of our business model.

Disciplined M&A strategy

The European equipment rental industry is 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. This fragmentation offers significant opportunities for consolidation through M&A activity, which is a key part of our strategy. We use our extensive familiarity with the markets we serve to anticipate customer needs and respond to new market opportunities, both in terms of new products and geographies, through additional M&A activity.

We have particularly focused our M&A strategy in recent years on consolidation through small, accretive acquisitions and expansion beyond our French network. From 2010 to 2023, we completed approximately 50 acquisitions, including the acquisitions of Bernard Location and UKA+HAUKE Arbeitsbühnen in 2023, which generated cumulative sales of €605 million and cumulative EBITDA of €210 million (in each case, in French GAAP or IFRS excluding IFRS 16 leases, as applicable, and calculated as though the acquired companies had been acquired as of the first day of the relevant income statement period, by taking into account the full-year results of operations of the acquired companies, derived from their accounting records, without adjusting for any other effects). Our business model enables us to leverage our position to optimize the purchase price paid for such acquisitions while using our acquired network to generate synergies and benefits of scale.

We believe that our acquisition track record, including our ability to integrate companies of different sizes, has established us as an attractive consolidation platform and has helped to strengthen our market leadership. The success of our international expansion demonstrates our strong ability to enter into new markets through acquisitions. For further details about our recent acquisitions, see "*Management's discussion and analysis of financial condition and results of operations—Factors affecting comparability of results—Recent acquisitions.*"

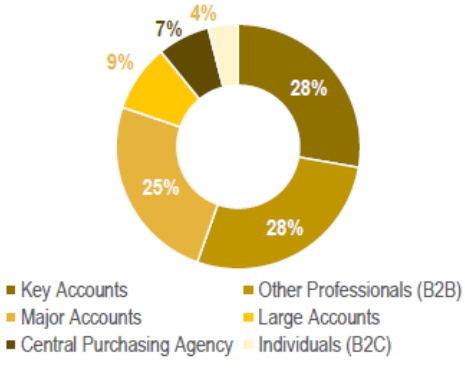
Diversified exposure across customers, segments and geographies

The breadth of our fleet of generalist and specialist equipment gives us a well-balanced exposure to different industry segments and end markets, including construction, infrastructure, civil engineering and industrial companies. Our high exposure to Tools and Light Equipment (which represented 33.6% of our rental revenue in France for the year ended December 31, 2022) provides us with a diversified customer end-base and helps attenuate our exposure to seasonality (in particular, in the construction industry).

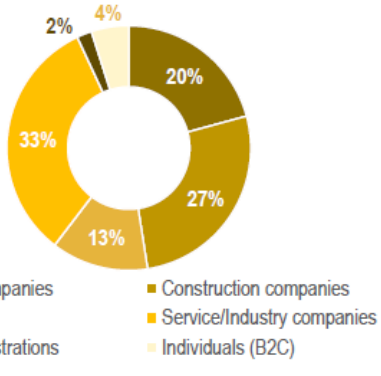
In addition to our core equipment rental activities, a significant share of our revenue is generated from our Services activities. Services accounted for 35.0% of our revenue for the twelve months ended September 30, 2023. Some of our services are offered and provided directly in connection with equipment rental, providing key support for such activities and contributing to their profitability. Other services such as subrentals, sale of products and training can be engaged independently from our core activities and therefore provide a distinct source of revenue. We believe that our services are a key differentiating factor of our business, increasing customer satisfaction and retention and contributing to a more diversified revenue base.

We serve over 400,000 customers across our businesses. In the year ended December 31, 2022, 96% of our revenue from our generalist subsidiaries in France was from companies (business to business). Our customer base is highly diversified, including customers of different sizes and operating in various sectors, from large construction and industrial groups to small businesses and craftspeople, as illustrated in the following charts.

French generalist revenue breakdown by customer end market for the year ended December 31, 2022



French generalist revenue breakdown by customer size for the year ended December 31, 2022



In France, our customer concentration risk is relatively low. In the year ended December 31, 2022, Kiloutou S.A.S.'s top ten customers accounted for 23.9% of Kiloutou S.A.S.'s revenue (as compared to 27% in 2018) and our largest customer represented less than 10% of Kiloutou S.A.S.'s revenue. For more information about our customer base, see "*Business—Customers*."

In recent years, we have broadened our international footprint significantly, building a strong presence in seven European countries in addition to France and reducing our exposure to the French market, which dropped to 62.8% of our Acquisition Adjusted Revenue for the twelve months ended September 30, 2023 from 91% for the year ended December 31, 2017. We have since grown to become what we believe is the largest player in Denmark and Portugal, the third largest player in Italy, the fourth largest player in Poland and the fifth largest player in Spain and based on rental revenue, which demonstrates the value of our M&A strategy in establishing our business in international markets.

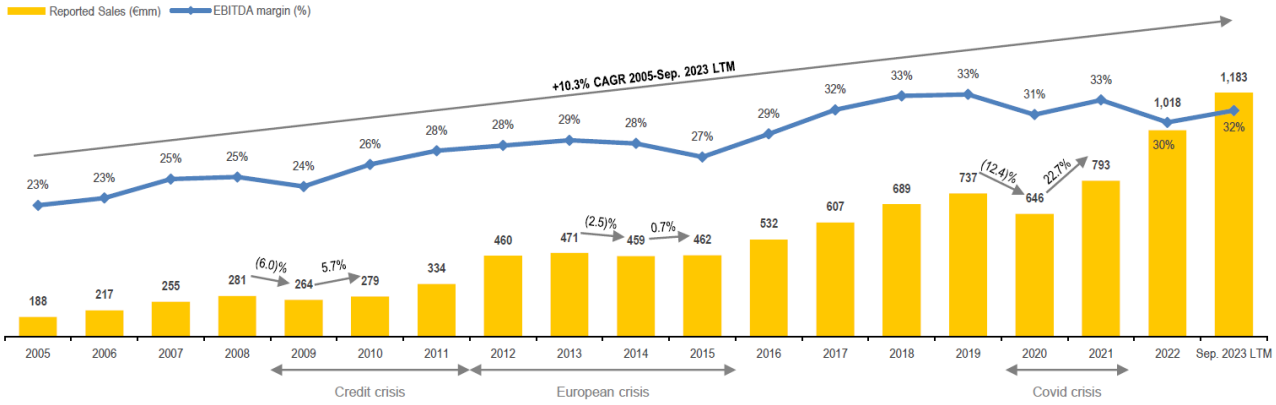
Resilient financial profile with proven track record of growth, profitability and cash generation through-the-cycle

We believe that our ability to manage our operating costs and our fleet in line with market conditions is a competitive advantage that has contributed to steady top-line and profit growth. With the exception of the Covid-19 pandemic in 2020, our revenue grew by 4.3% in 2019, 18.2% in 2021, 6.6% in 2022 and 7.1% in the nine months ended September 30, 2023, on a constant perimeter basis. In addition, despite the Covid-19 pandemic, we did not experience any issues related to our customers and our bad debt ratio remained low during that period at 0.5% and 0.2% for the years ended December 31, 2020 and 2021, respectively.

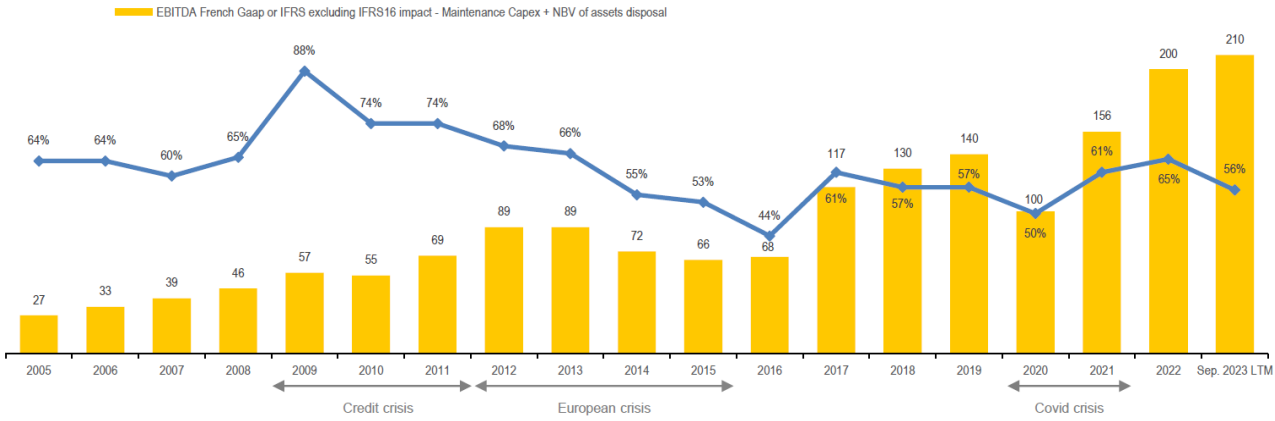
We have demonstrated our ability to grow our business through a combination of organic growth, accretive acquisitions and tight cost control, while remaining resilient through slower economic cycles. From 2005 to 2022, our revenue grew at a CAGR of 9.8%, and we maintained EBITDA margins above 23%, with an average cash conversion of 62.4%. As a result of cost optimization initiatives, better fixed cost absorption, improved staff productivity and network optimization, we have been able to expand our EBITDA margin by seven points since 2010.

The charts below illustrate our revenue and EBITDA margin growth and our cash conversion from the year ended December 31, 2005 to the year ended December 31, 2022.

Revenue and EBITDA Margin (French GAAP or IFRS excluding IFRS 16 leases) since 2005 (€ millions)



Cash conversion[(1)] since 2005 (€ millions)



(1) We define cash conversion as EBITDA (French GAAP or IFRS excluding IFRS 16 leases, as applicable), *less* maintenance capital expenditures (which represents purchases of rental equipment to replace our disposed fleet corresponding to the diminution of the rental equipment gross book value amount), *plus* the net book value of assets sold, as a percentage of EBITDA (French GAAP or IFRS excluding IFRS 16 leases, as applicable) for the relevant period.

We 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 and postpone investments, streamline our branch network, right-size our fleet and pay down debt with our cash flows, as needed. We have no long-term engagements in respect of capital expenditures and make investment decisions on a regular, short-term basis. As a result, we are generally able to quickly adjust our level of fleet investment to respond to market fluctuations. For example, when faced with more challenging market conditions as a result of the global financial crisis, we were able to significantly and quickly reduce investments in our fleet to 3.4% of our revenue in 2009, from 22% in 2008.

Similarly, we were able to successfully address the challenging market conditions of the Covid-19 pandemic by implementing furlough measures, negotiating rent concessions with our lessors for the branches that we temporarily closed, and significantly cutting our purchases of rental equipment by €61.2 million during the year ended December 31, 2020, which enabled us to generate an additional €45.3 million of unlevered free cash flow during the period and preserve cash on hand. In line with our strategy to continuously keep a highly qualitative fleet, we were also able to continue meeting our maintenance capital expenditure cover ratio, which historically has been stable at around 15% of revenue.

For the years ended December 31, 2020, 2021 and 2022, unlevered free cash flow stood at €58.6 million, €149.0 million and €28.2 million, respectively.

Highly experienced management team with a strong track record of growth and supported by long-term investors

We have a strong management team with extensive experience and know-how in the equipment rental industry and a track record of operational excellence, which we believe is necessary to successfully develop and expand our business. Our key management team consists of 28 individuals who have an average of approximately 16 years of industry experience. Our management team is led by Olivier Colleau and Jan-Luc Ambre, who have been part of our team since 2009 and 2003, respectively. Under their leadership, our management team has successfully delivered organic and M&A-based growth, as well as business diversification and professionalization and operational improvements, despite challenging business cycles. Since 2015, we have been expanding internationally, bringing our value proposition to six other European countries, and have increased our total number of branches from 454 as of December 31, 2015 to 595 as of September 30, 2023. As a result, between December 31, 2015 and December 31, 2022, our revenue grew at a CAGR of 12% (from €461.6 million in December 31, 2015 to €1,017.7 million in the year ended December 31, 2022) and our EBITDA margin grew 10.2 points (from 27% in December 31, 2015 (under French GAAP) to 37.2% in the year ended December 31, 2022 (under IFRS)). Our consistent growth trajectory has been recognized at the summit for growing companies (*Sommet des entreprises en croissance*), where we won a Gold Award in 2023. The long tenure of our top management has enabled us to build strong relationships and personal ties at all levels of our industry, which we believe gives us a competitive advantage that few of our competitors can rival. In recognition of their leadership and collaborative approach, Olivier Colleau and Jan-Luc Ambre won the "Best CEO/CFO" award at the *Leaders de la Finance* meeting in 2023. Furthermore, our senior management is supported by regional and cluster managers who are empowered to foster local market knowledge while keeping bureaucratic processes at a minimum. We believe that our management structure encourages strong commitment and entrepreneurial spirit across our Group. See "*Management*."

Our seasoned management team has the full support of, and is fully aligned with, our principal shareholders to leverage our strengths and build our presence as an industry leader. In particular, the Sponsors, prudent long-term capital investors, contribute additional expertise and act as a sounding board for our senior management. Our ownership structure also includes management and employees and significant employee shareholdings is combined with a high share of variable compensation based on cluster performance, which we believe ensures alignment of interests and cooperation by our employees. We believe that our current management team and ownership structure will allow us to continue attracting and retaining the industry's top talent, further driving profitable growth. See "*Principal shareholders*." We believe our unique and recognized corporate culture is a key factor in attracting and retaining talent as well as fostering a positive and inclusive work environment for all.

Our strategy

We aim to continue strengthening our position in France and Europe by implementing the key strategies set forth below.

Continue to offer superior customer experience

We intend to continue to offer our advanced "one-stop-shop" customer experience and strengthen our value-adding services.

We believe that we have a large, diversified and loyal customer base primarily due to the high quality of our broad product portfolio and value-adding service offering. In order to continue providing a compelling value proposition to our customers and attract new customers, we intend to maintain our focus on ensuring a consistently high-quality one-stop-shop customer experience across our network. This includes continuing to introduce innovative offerings to meet customers' evolving demands, diversifying our fleet in order to offer a broader catalogue, including environmentally friendly products, and improving our digital capabilities in order to further enhance our brand awareness and customer loyalty rates. We also intend to expand our value-adding services, which generate a significant share of our revenue and create cross-selling opportunities with our equipment rental activities. Cross-selling is at the heart of our strategy and we intend to continue leveraging our one-stop-shop business model to further increase our share of customers' total spend.

We believe that both our professional and friendly personnel with superior knowledge of their local markets and our engaged approach to customer service are critical to maintaining our customers' loyalty and expanding our embedded customer base. We continually strive to improve our employee performance and training in order to enhance customer satisfaction as well as to attract and retain emerging management talent.

Foster a positive workplace to drive employee and customer loyalty

We are convinced that building the best employee experience boosts customer satisfaction. We empower our staff by ensuring safe and positive working conditions, providing a caring and stimulating working environment, and sharing our success with our employees through performance bonuses and employee participation programs.

As part of our commitment to corporate responsibility, we also prioritize the professional development of our employees throughout their careers. Our training center has been open to all our employees and has offered sessions to our staff since 2007 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. Our training center also plays a key role in the integration of new employees.

Our efforts to create a thriving workplace were recognized again in 2023, when we were awarded the Happy Candidates certification for the fifth year in a row and the Happy Trainees certificate for the second year in a row. Our sustainable hiring strategy, as showcased in our sustainable recruiting video, was also recognized by COM-ENT in the 36th edition of their Grand Prix in 2023, where we won the Silver Award in the Employer Branding category. These recognitions are a testament to our efforts in creating a nurturing and progressive workplace that not only focuses on the training of our employees but also on their long-term career growth.

Continuously improve our operational excellence

Since our founding in 1980, we have continuously expanded our network, and over time we have developed extensive territorial coverage in France and a reputation for operational excellence among customers. In order to operate efficiently, we provide a high level of autonomy to our local staff in making business decisions, developing budgets and managing fleet availability within their clusters and branches, as applicable, while maintaining centralized IT systems to support our operations, including to monitor our fleet, provide customer service and enhance logistics capabilities. Although we believe that we already benefit from a highly efficient network with strong logistics know-how that allows us to efficiently manage transportation costs and optimize the utilization rate of our equipment, we believe we can leverage digital technologies to improve and expedite the customer experience and therefore increase our sales, as well as to enhance the

efficiency of our internal operations. We intend to continue enhancing the efficiency of our network through strategic site openings and consolidation, as applicable, and improvement of our technology capabilities, including with the use of telematics technologies for fleet tracking purposes.

We believe that digital technology is and will increasingly be a key success factor and we therefore invest heavily in our digital capabilities. Digital technology drives our external activities, such as business development and customer experience, but also helps optimize our internal processes, notably with respect to fleet management.

Expand our operations through innovation and a disciplined acquisition strategy

We intend to consolidate our French market share. The French equipment rental market is fragmented. When taken together with the largest player, we believe that we held approximately 40% of the market share in 2022. We believe the remainder of the market share was distributed among smaller regional players, none of whom held more than approximately 4% of market share. The fragmentation in the French equipment rental market benefits companies with large, strategically coherent and integrated businesses like ours. We intend to take advantage of this fragmentation in order to pursue both organically and through bolt-on acquisitions, which are a key part of our strategy.

In addition, we intend to continue pursuing our successful track record of acquisitions based on clearly defined target selection criteria and a disciplined approach. We believe that fragmentation in our key markets will continue to allow us to complete acquisitions and act as a market consolidator. We actively monitor opportunities to expand and optimize our network at the local and national levels in order to maximize profitable growth. Our future acquisition strategy will focus on seeking accretive acquisition targets in order to complement our organic growth, strengthen our leading market positions, optimize our network and develop synergies in our fleet management, as well as diversify our product offering by moving into new product markets (in particular in the Specialist business line). Our acquisition strategy is supported by our high level of brand awareness, our extensive know-how of local markets and our ability to anticipate customer needs and new market opportunities. Our business model enables us to leverage our position to optimize the purchase price paid for such acquisitions while profiting from benefits of scale.

Successful integration of acquisitions is key to our strategy and we believe that we are well positioned to integrate any future acquired companies smoothly and profitably. 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. We expect to draw on our recent experience integrating acquired companies in order to achieve similar success and efficiency in integrating future acquisitions for continued success across all of our markets.

Investing in our products and capabilities will remain a strategic priority for us and we believe this will set us up for long-term success. We have accumulated significant expertise in developing innovative products and services offering. For example, we recently launched the Kiloutou Signalisation business unit, our first subsidiary offering a comprehensive range of products and services dedicated to signage and safety products. We intend to focus on diversifying our Specialist business line and to continue launching innovative products and services in order to anticipate changes in our industry and meet customer demand.

Outside of France, we intend to expand our international footprint by strengthening our position in our existing geographic markets and selectively entering new geographic markets to further strengthen and expand our international operations. With 136 branches across six countries outside of France as of September 30, 2023, we already operate a sizeable international business. We believe that, over time, there is the potential to continue our international expansion strategy. In some of the countries in which we operate, our existing network does not currently address several regions where we believe there is strong potential and, as a result, we believe there are opportunities to grow profitably in those regions. Our management team identifies sites based on demographics, the footprint of our institutional customer base, proximity to locations of our existing branches, availability of suitable space, local economic conditions and other factors that we believe are relevant to the successful expansion of our network and which should enable us to capitalize on the increased traffic and volumes of our new branches. We believe that our new branches will benefit from our strong brand awareness and existing marketing campaigns, and consequently should require only limited incremental marketing support.

Furthermore, our offering in some of these countries is not as comprehensive as in France. For example, our business in Germany largely relies on the rental of equipment within our Access product category. Additionally, we do not yet offer our Specialist solutions in certain of these markets outside France. In Denmark, we intend to keep consolidating the market and reinforce the one-stop-shop strategy of GSV. We believe that we have room to grow both by expanding our network and our product offering within our international markets, either organically or through accretive acquisitions.

As we expand our international presence, we intend to implement our decentralized operational model in all of our geographies, including rolling out our cluster management system that is built around giving a high level of autonomy to

our local personnel, as is currently applied in our French network. We also seek to deploy our best practices (including our safety, protection and prevention policy), to our international operations in order to create synergies and improve the quality of our services throughout. We believe that there are significant opportunities to identify, foster and apply best practices developed in France and internationally throughout our network.

Although we intend to expand our international footprint in the markets where we are already present and potentially enter new markets, as part of our disciplined M&A approach we also intend to retain flexibility as to the timing, manner and structure of any entry into new geographic or product markets and are continuously reviewing such opportunities.

Maintain our commitment to help protect people and the planet

The safety of our employees and customers is of critical importance to us. Product safety and public perception that our products are of good quality, safe and healthy are essential to our reputation and brand and are therefore a top priority. We work to make construction practices safer. For years we have developed a strategy around communication, feedback, risk analysis, product development, training and management practices supporting prevention, including initiatives with suppliers and customers, in order to achieve our goal of minimizing accidents.

As part of our strategy to minimize risks, we own a young fleet of carefully selected high-quality equipment. We conduct regular audits of our fleet in order to ensure the products we rent are fully functional and safe to operate. We apply stringent standards as part of our quality assurance system and have a dedicated team that monitors the safety and quality of our products and compliance with legal requirements and our internal policies. We provide safety-related training for our employees at the branch level and our customers, including training dedicated to risk prevention. We also share safety information with the public through our YouTube channel. In 2017, we joined the International Powered Access Federation, whose main objective is to promote the safe and effective use of powered Access equipment. This international organization plays a major role in the advancement of a large number of design, security, and testing procedures. Additionally, we hold ISO 9001 and MASE certifications, which recognize our policies to reduce the risk of accidents, comply with legislation and improve safety and working conditions. Further, we recently developed and launched KARE, our safety equipment offering consisting of connected and intelligent KARE safety vests, which are designed to avoid collisions of pedestrian employees and machines and for which we have received the 2023 innovation prize at the Preventica Paris fair. 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. Our long-standing relationships with our suppliers also position us 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. In 2010, we implemented our first carbon footprint program and in 2012, we were one of the first equipment rental players in Europe to become a member of the UN Global Compact program, the world's largest corporate sustainability initiative. We issued our first corporate social responsibility report ("*Rapport de Responsabilité Sociétale des Entreprises*") in 2016 and have released updated reports on an annual basis since. This report summarizes our initiatives and results relating to customer service, safety and security, respecting the environment and corporate governance. We aim to minimize our environmental footprint and seek to achieve that by improving the quality of our fleet. For example, consistent with our commitment to reduce CO2 by 40% in 2030 and reaching carbon neutrality by 2050, we have been investing since 2018 in natural gas-powered delivery trucks and electric vehicles to reduce the CO2 emissions of our transports.

As a result of our best practices, we have received a number of awards for and recognitions of our corporate social responsibility. For example, we obtained a EcoVadis 2023 Gold level certificate for the fifth consecutive year, being ranked in the top 4% of companies noted for their corporate social responsibility, and standing out with our environmental actions and health, safety and prevention policy. Furthermore, we received in 2023 the "Good Economy" Gold Prize for our environmental commitment. We intend to remain at the forefront of our industry as a leader for safety, quality, responsibility and sustainability.

The Transactions

Tender Offer and Exchange Offer

Concurrently with the Offering, the Issuer has made an offer (the "**Tender Offer**") to eligible holders of book-entry interests in the Regulation S global notes representing the 2027 Notes to tender their 2027 Notes for repurchase by the Issuer at a price equal to 101% of the principal amount thereof, plus accrued and unpaid interest. The settlement of the Tender Offer was conditioned upon, among other things, the combined aggregate principal amount of the Notes and the Exchange Notes to be issued by the Issuer being no less than €250.0 million (the "**Minimum Financing Condition**"), which was satisfied. Pursuant to the results of the Tender Offer, the Issuer purchased €143,874,000 of the outstanding 2027 Notes validly tendered for purchase. We redeemed all of the 2027 Notes that were not tendered in the Tender Offer, in accordance with the 2027 Indenture.

In addition, concurrently with the Offering and the Tender Offer, the Issuer has made an offer (the "**Exchange Offer**") to eligible holders of book-entry interests in the Regulation S global notes representing the 2026 Floating Rate Notes to exchange each €1,000 in principal amount of their 2026 Floating Rate Notes for (x) €1,000 in principal amount of senior secured floating rate notes due 2030 (the "**Exchange Notes**") and (y) accrued and unpaid interest. Any Exchange Notes issued are issued under the Indenture on the Issue Date and have identical terms as, and form a single class with, the Notes. The settlement of the Exchange Offer is also conditioned upon, among other things, the Minimum Financing Condition, which was satisfied. No cash consideration was paid in connection with the Exchange Offer. Pursuant to the results of the Exchange Offer, the Issuer exchanged €188,143,000 of the outstanding 2026 Floating Rate Notes validly tendered for exchange. We redeemed all 2026 Floating Rate Notes that were not tendered in the Exchange Offer, at par, in accordance with the 2026 Indenture. Subject to the satisfaction or waiver of the Minimum Financing Condition, the Offering, the Tender Offer and the Exchange Offer settled simultaneously on the Issue Date.

Extension and amendment of Revolving Credit Facility maturity

Lenders with Revolving Credit Facility commitments in an aggregate amount of €176.0 million have granted the Issuer an option to extend the maturity of their Revolving Facility commitments to a date no later than June 12, 2028, subject to the conditions set out therein and, in particular, that the 2026 Notes and the 2027 Notes are reduced to an aggregate principal amount not exceeding €50.0 million and that the extended maturity date of the Revolving Facility falls no earlier than six months prior to the maturity of any outstanding 2026 Notes or any indebtedness designated as Pari Passu Debt Liabilities under the Intercreditor Agreement. If, at any time after the extension option is exercised, any new indebtedness is designated as Pari Passu Debt Liabilities under the Intercreditor Agreement, the Revolving Credit Facility includes a springing maturity mechanism to automatically reduce the maturity of the Revolving Credit Facility if required for the maturity date of the Revolving Facility to fall no earlier than six months prior to the maturity of any outstanding 2026 Notes or any indebtedness designated as Pari Passu Debt Liabilities under the Intercreditor Agreement (in each case, other than in relation to an aggregate amount of indebtedness thereunder not exceeding €50.0 million).

The Offering

We used the proceeds of the Offering to (i) pay the consideration for the Tender Offer, (ii) repay certain amounts outstanding under the Revolving Credit Facility, (iii) fund the redemption of all of the remaining 2027 Notes, (iv) fund the redemption of all outstanding 2026 Floating Rate Notes not tendered pursuant to the Exchange Offer and (v) pay certain fees, costs and expenses in connection with the Transactions.

We refer to the Tender Offer, the Exchange Offer, the extension of the Revolving Credit Facility maturity, the Offering and the use of proceeds thereof, collectively, as the "**Transactions**."

Our principal shareholders

The beneficial ownership of the share capital of the Issuer is currently as follows (in certain cases, through one or more holding entities):

- HLDI (controlled by Dentressangle SAS), HLD Europe and other co-investors: approximately 66.99%;
- Managers, employees, retired managers and others: approximately 18.66%;
- Mr. Francis Mulliez and his family: approximately 13.21%; and
- Other individual investors: approximately 0.95%.

HLD

HLD Europe is a leading private investment firm created in 2010 with permanent capital and offices in Luxembourg, Paris, Milan, Zurich and Amsterdam. HLD Europe focuses on providing European companies in all sectors with long-term support and financing. See "*Principal shareholders*."

The Issuer

The Issuer was incorporated on November 16, 2017 as a *société par actions simplifiée* under the laws of France. The Issuer is registered in France under sole identification number 833 372 774 R.C.S. Lyon. The Issuer's registered office is 30 bis, rue Sainte-Hélène, 69002 Lyon, France. Certain data presented in these listing particulars reflects the Group's performance prior to the acquisition of the Group by the Sponsors in December 2019.

Recent Developments

Since September 30, 2023, we have completed the acquisition of Valser SA through which we have expanded our geographical coverage in Spain, where we now operate three additional branches and increased the number of employees by 42.

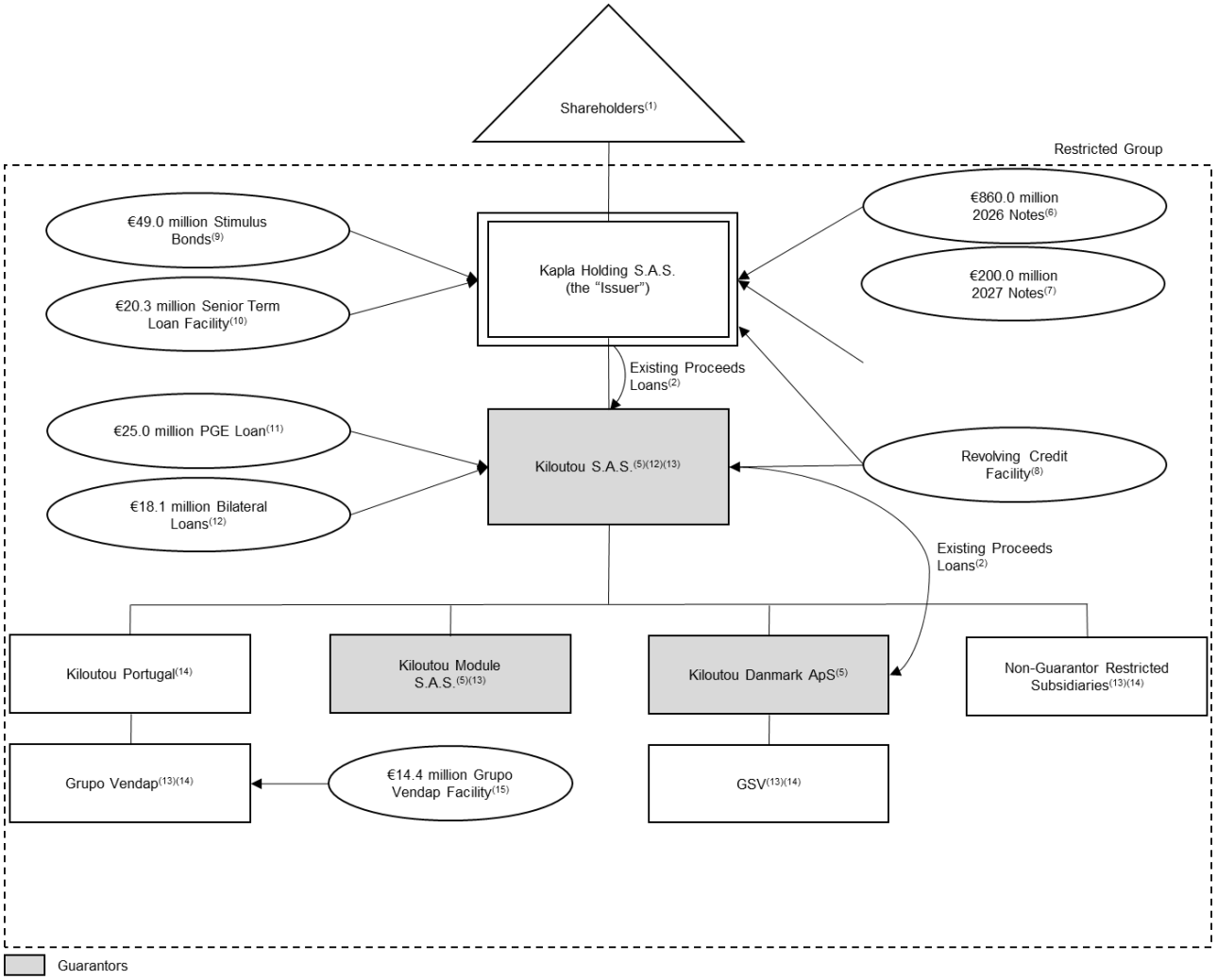
Current Trading

The information below is preliminary, is based on a number of assumptions that are subject to inherent uncertainties and subject to change, is based on internal management accounts, is the responsibility of management and is subject to financial closing procedures which have not yet been completed and has not been audited, reviewed or verified. Although we believe the information to be reasonable, actual results may vary from the information contained below and such variations could be material. As such, you should not place undue reliance on this information. This information may not be indicative of the remainder of the quarter or any future period. See "Forward looking statements" and "Risk factors" for a more complete discussion of certain of the factors that could affect our future performance.

Based on currently available information, our revenue for the months of October and November 2023 was €111.9 million and €108.3 million, respectively, and our EBITDA for the months of October and November 2023 was €47.1 million and €46.0 million, respectively. In addition, cumulative revenue and EBITDA for the months of October and November 2023 were €220.2 million and €93.1 million, respectively, which represented an increase of 11.5% and 16.3%, respectively, compared to the same period in the prior year. In addition, cumulative revenue and EBITDA for the months of October and November 2023 increased by 6.4% and 8.6%, respectively, taking into account the impact of newly-acquired subsidiaries in the same period of 2022. As a result, our revenue and EBITDA for the period from January 1, 2023 to November 30, 2023 were €1,115.9 million and €430.6 million, respectively, which represented an increase of 20.0% and 24.8%, respectively, compared to the same period in the prior year. These results are in line with current trends.

SUMMARY CORPORATE AND FINANCING STRUCTURE

The following diagram shows a summary of our corporate and principal financing structure after giving effect to the Transactions. For a summary of debt obligations identified in this diagram, see "*Description of the Notes*," "*Description of certain financing arrangements*" and "*Capitalization.*" See also "*Principal shareholders*" and "*Certain relationships and related party transactions.*"



(1) On the date of the offering memorandum, (i) the Sponsors and other co-investors own, directly or indirectly, 66.99% of our share capital, (ii) management and employees own 18.66% of our share capital, (iii) Mr. Francis Mulliez and his family own 13.21% and (iv) the remaining 0.95% of our share capital is owned by other individual investors.

(2) On the Issue Date, the Existing Proceeds Loans were pledged to secure the Notes and the Notes Guarantees as part of the Collateral. The Existing Proceeds Loans were also pledged to secure the 2026 Notes, the 2027 Notes, the Revolving Credit Facility and the Senior Term Loan Facility. See "*Description of certain financing arrangements—Existing Proceeds Loans.*"

(3) On the Issue Date, the Notes are secured by first-priority security interests in the Collateral. See "*—The Offering—Security*."

(4) Concurrently with the Offering, the Issuer has made an offer (the "**Tender Offer**") to eligible holders of book-entry interests in the Regulation S global notes representing the 2027 Notes to tender their 2027 Notes for repurchase by the Issuer at a price equal to 101% of the principal amount thereof, plus accrued and unpaid interest. The settlement of the Tender Offer was conditioned upon, among other things, the combined aggregate principal amount of the Notes and the Exchange Notes to be issued by the Issuer being no less than €250.0 million (the "**Minimum Financing Condition**"), which was satisfied. Pursuant to the results of the Tender Offer, the Issuer purchased €143,874,000 of the outstanding 2027 Notes validly tendered for purchase. We redeemed all of the 2027 Notes that were not tendered in the Tender Offer, in accordance with the 2027 Indenture (including any 2027 Notes that are represented by book-entry interests held in any Rule 144A global notes). In addition, concurrently with the Offering and the Tender Offer, the Issuer has made an offer (the "**Exchange Offer**") to eligible holders of book-entry interests in the Regulation S global notes representing the 2026 Floating Rate Notes to exchange each €1,000 in principal amount of their 2026 Floating Rate Notes for (x) €1,000 in principal amount of senior secured floating rate notes due 2030 (the "**Exchange Notes**") and (y) accrued and unpaid interest. Any Exchange Notes issued are issued under the Indenture on the Issue Date and have identical terms as, and form a single class with, the Notes. The settlement of the Exchange Offer is also conditioned upon, among other things, the Minimum Financing Condition, which was satisfied. No cash consideration was paid in connection with the Exchange Offer. Pursuant to the results of the Exchange Offer, the Issuer exchanged €188,143,000 of the outstanding 2026 Floating Rate Notes validly tendered for exchange. We redeemed all 2026 Floating Rate Notes that were not tendered in the Exchange Offer, at par, in accordance with the 2026 Indenture. Subject to the satisfaction or waiver of the Minimum Financing Condition, the Offering, the Tender Offer and the Exchange Offer settled simultaneously on the Issue Date.

The Notes are senior obligations of the Issuer and rank *pari passu* in right of payment with all of the Issuer's existing and future senior indebtedness (including the 2026 Notes, the 2027 Notes and the obligations of the Issuer under the Revolving Credit Facility Agreement and

the Senior Term Loan Facility), and rank senior in right of payment to all of the Issuer's existing and future indebtedness that is expressly subordinated in right of payment to the Notes. The Notes are structurally subordinated to all of the existing and future indebtedness of the Issuer's subsidiaries that do not guarantee the Notes and are effectively subordinated to the existing and future secured indebtedness of the Issuer that is secured by property or assets that do not secure the Notes to the extent of the value of such property or assets.

(5) The Notes are jointly and severally guaranteed on a senior basis by the Guarantors on the Issue Date. The Notes Guarantees of the Guarantors rank *pari passu* in right of payment with the Guarantors' existing or future indebtedness that is not expressly subordinated in right of payment to the Guarantors' Notes Guarantees (including the 2026 Notes, the 2027 Notes and the obligations of the Guarantors under the Revolving Credit Facility Agreement and the Senior Term Loan Facility) and rank senior in right of payment to any existing or future indebtedness of the Guarantors that is subordinated in right of payment to the Notes Guarantees. The Notes Guarantees of the Guarantors are effectively subordinated to any existing or future indebtedness of the Guarantors that is secured by property or assets that do not secure the Guarantors' Notes Guarantees, to the extent of the value of the property or assets securing such indebtedness, and are structurally subordinated to any existing or future indebtedness of the subsidiaries of the Guarantors that do not guarantee the Notes. The validity and enforceability of the Notes Guarantees of the Guarantors is subject to the limitations described in "*Limitations on validity and enforceability of the Notes Guarantees and the security interests and certain insolvency law considerations*." The Issuer and the Guarantors accounted for 58.9% of the Acquisition Adjusted Revenue and 61.9% of the Acquisition Adjusted EBITDA of the Group for the twelve months ended September 30, 2023.

(6) The 2026 Notes comprise the €400.0 million aggregate principal amount of the Issuer's Senior Secured Floating Rate Notes due 2026 and the €460.0 million aggregate principal amount of the Issuer's 3.375% Senior Secured Notes due 2026, in each case issued under the 2026 Indenture. The obligations of the Issuer under the 2026 Notes are guaranteed on a senior basis by the Guarantors and are secured by first-priority security interests in the Collateral. See "*Description of certain financing arrangements—2026 Notes*." The 2026 Floating Rate Notes are subject to the Exchange Offer being made concurrently with the Offering and the Tender Offer.

(7) The 2027 Notes comprise the €200.0 million aggregate principal amount of the Issuer's Senior Secured Floating Rate Notes due 2027 issued under the 2027 Indenture. The obligations of the Issuer under the 2027 Notes are guaranteed on a senior basis by the Guarantors and are secured by first-priority security interests in the Collateral. See "*Description of certain financing arrangements—2027 Notes*." The 2027 Notes are subject to the Tender Offer being made concurrently with the Offering and the Exchange Offer.

(8) The Revolving Credit Facility Agreement permits the incurrence of up to €180.0 million of revolving credit borrowings on a committed basis. The obligations of the borrowers under the Revolving Credit Facility Agreement are guaranteed on a senior basis by the Guarantors and are secured by first-priority security interests in the Collateral. Pursuant to the terms of the Intercreditor Agreement, creditors under the Revolving Credit Facility Agreement and certain hedging obligations, if any, will have the right to receive priority with respect to proceeds from enforcement of security over the Collateral. Any remaining proceeds received upon any enforcement action over any Collateral will be applied *pro rata* to the repayment of all obligations under the Indenture and any other senior secured indebtedness of the Issuer and the Guarantors permitted to be incurred and secured by the Collateral pursuant to the Indenture and the Intercreditor Agreement. See "*Description of certain financing arrangements—Revolving Credit Facility Agreement*" and "*Description of certain financing arrangements—Intercreditor Agreement*."

(9) The Stimulus Bonds are unsecured and unguaranteed. The Stimulus Bonds benefit from a partial guarantee from the French State. See "*Description of certain financing arrangements—Stimulus Bonds.*" On December 29, 2023, the Issuer issued €5.0 million of Stimulus Bonds in two tranches by way of private placements to the subscribers of such bonds, which are described in more detail under "*Description of certain financing arrangements— Stimulus Bonds*".

(10) The Senior Term Loan Facility is guaranteed on a joint and several basis by the Guarantors. Such guarantees rank or will rank *pari passu* in right of payment with the guarantees of the Notes, the 2026 Notes, the 2027 Notes and the Revolving Credit Facility pursuant to the terms of the Intercreditor Agreement. The Senior Term Loan Facility is, or will be, secured by first-priority interests in the Collateral pursuant to the terms of the Intercreditor Agreement. See "*Description of certain financing arrangements—Senior Term Loan Facility.*" €20.3 million was outstanding under the Senior Term Loan Facility on September 30, 2023.

(11) The €25.0 million outstanding under the PGE Loan is unsecured and does not benefit from any guarantees from the Group. See "*Description of certain financing arrangements—PGE Loan.*"

(12) Represents the aggregate principal amount of unsecured bilateral loans as of the date of the offering memorandum, which were drawn by Kiloutou S.A.S and Kiloutou Module. See "*Description of certain financing arrangements—Bilateral and overdraft facilities.*"

(13) Our finance leases are secured by liens over equipment in our fleet and generally have maturities of five years. Of the amounts of our finance leases as of September 30, 2023, €246.0 million was owed by the Guarantors and €139.5 million was owed by other subsidiaries. See "*Risk factors—Risks related to our financing arrangements and the Notes—The Notes will be effectively subordinated to our finance leases to the extent of the value of the assets securing such obligations."* Our IFRS 16 leases are leases that would have been classified as operating leases prior to the implementation of IFRS 16. Of the €182.1 million of our IFRS 16 leases as of September 30, 2023, €100.5 million was owed by the Guarantors and €81.6 million was owed by other subsidiaries.

(14) The subsidiaries of the Issuer that will not guarantee the Notes accounted for 41.1% of the Acquisition Adjusted Revenue and 38.1% of the Acquisition Adjusted EBITDA of the Group for the twelve months ended September 30, 2023 (as compared to 38.7% of the Acquisition Adjusted Revenue and 36.9% of the Acquisition Adjusted EBITDA of the Group for the twelve months ended September 30, 2022) and would have had as adjusted total third-party financial debt of €241.9 million as of September 30, 2023 (of which, 91% are leases).

(15) In connection with the Grupo Vendap Acquisition, we incurred €19.0 million of secured debt in the form of a term loan facility, of which €14.4 million was outstanding on September 30, 2023. See "*Description of certain financing arrangements—Grupo Vendap Facility.*"

THE OFFERING

The following summary contains basic information about the Notes, the Notes Guarantees and the Collateral. It may not contain all the information that is important to you. Certain terms and conditions described below are subject to important limitations and exceptions. For additional information regarding the Notes, the Notes Guarantees and the Collateral, see "Description of the Notes" and "Description of certain financing arrangements—Intercreditor Agreement."

Issuer	Kapla Holding S.A.S.
Notes Offered	€461,857,000 aggregate principal amount of Senior Secured Floating Rate Notes due 2030.
Issue Date	February 5, 2024.
Issue Price	100.000% of principal plus accrued interest, if any, from the Issue Date.
Maturity Date	July 31, 2030.
Interest Rate	Three-month EURIBOR, with a 0% floor, plus 350 basis points per annum, reset quarterly.
Interest Payment Dates	Quarterly in arrears on March 15, June 15, September 15 and December 15 of each year, commencing on March 15, 2024. Interest on the Notes accrues from the Issue Date.
Form and Denomination	The Notes were issued in global registered form in minimum denominations of €100,000 and in integral multiples of €1,000 in excess thereof. Notes in denominations of less than €100,000 will not be available.
Ranking of the Notes	The Notes: • are general senior obligations of the Issuer, secured as set forth under "*—Security*"; • rank *pari passu* in right of payment with any existing or future senior indebtedness of the Issuer, including the 2026 Notes, the 2027 Notes and indebtedness of the Issuer under the Revolving Credit Facility Agreement and the Senior Term Loan Facility; • rank senior in right of payment to any existing or future indebtedness of the Issuer that is expressly subordinated in right of payment to the Notes; • are structurally subordinated to any existing or future indebtedness of the subsidiaries of the Issuer that do not guarantee the Notes, including their obligations to trade creditors; • are effectively subordinated to any existing or future indebtedness or obligation of the Issuer or its subsidiaries that is secured by property or assets that do not secure the Notes, to the extent of the value of the property and assets securing such indebtedness or obligation; and • are guaranteed by the Guarantors as set forth under "*—Notes guarantees.*"
Notes Guarantees	On the Issue Date, the Notes are guaranteed (the "**Notes Guarantees**") on a senior basis by Kiloutou S.A.S., Kiloutou Module S.A.S. and Kiloutou Danmark (collectively, the "**Guarantors**"). The Issuer and the Guarantors accounted for 58.9% of the Acquisition Adjusted Revenue and 61.9% of the Acquisition Adjusted EBITDA of the Group for the twelve months ended September 30, 2023.

The Notes Guarantees are subject to the Agreed Security Principles and other certain contractual and legal limitations, and may be released under certain circumstances. See "*Risk factors—Risks related to our financing arrangements and the Notes—There are circumstances other than repayment or discharge of the Notes under which the Collateral securing the Notes and the Notes Guarantees will be released automatically and under which the Notes Guarantees will be released automatically, without your consent or the consent of the trustee,*" "*Limitations on validity and enforceability of the Notes Guarantees and the security interests and certain insolvency law considerations*" and "*Description of the Notes—Notes Guarantees—Release of Notes Guarantees*."

Ranking of Notes Guarantees..... The Notes Guarantees of the Guarantors:

- are general senior obligations of the Guarantors, secured as set forth under "*—Security*";
- rank *pari passu* in right of payment with the Guarantors' existing or future indebtedness that is not expressly subordinated in right of payment to the Guarantors' Notes Guarantees (including the obligations of the Guarantors under the 2026 Notes, the 2027 Notes, the Revolving Credit Facility Agreement and the Senior Term Loan Facility);
- rank senior in right of payment to any existing or future indebtedness of the Guarantors that is subordinated in right of payment to the Notes Guarantees;
- are structurally subordinated to any existing or future indebtedness of the subsidiaries of the Guarantors that do not guarantee the Notes; and
- are effectively subordinated to any existing or future indebtedness of the Guarantors that is secured by property or assets that do not secure the Guarantors' Notes Guarantees, to the extent of the value of the property or assets securing such indebtedness.

Security..... On the Issue Date, the Notes and the Notes Guarantees are secured on a first-priority basis by security interests in: (i) the financial securities account opened in the name of the Issuer in the books of Kiloutou S.A.S., (ii) the financial securities account opened in the name of Kiloutou S.A.S. in the books of Kiloutou Module S.A.S., (iii) the shares in Kiloutou Danmark held by Kiloutou S.A.S., (iv) the shares in GSV held by Kiloutou Danmark, (v) certain bank accounts of the Issuer and the Guarantors and (vi) certain intra-group receivables owing to the Issuer and the Guarantors, including the Existing Proceeds Loans (the "**Collateral**").

Subject to certain conditions, including compliance with the covenants described under "*Description of the Notes—Certain covenants—Limitation on Indebtedness*," "*Description of the Notes—Certain covenants—Limitation on Liens*" and "*Description of the Notes—Certain covenants—Impairment of security interest*," the Issuer and its restricted subsidiaries will be permitted to grant security interests in the Collateral in connection with future incurrences of Indebtedness, including additional Notes, as permitted under the Indenture and the Intercreditor Agreement. See "*Description of certain financing arrangements—Intercreditor Agreement*."

	The security interests in the Collateral are subject to the Agreed Security Principles and other certain contractual and legal limitations, and may be released under certain circumstances. See "*Risk factors—Risks related to our financing arrangements and the Notes—There are circumstances other than repayment or discharge of the Notes under which the Collateral securing the Notes and the Notes Guarantees will be released automatically and under which the Notes Guarantees will be released automatically, without your consent or the consent of the trustee,"* "*Limitations on validity and enforceability of the Notes Guarantees and the security interests and certain insolvency law considerations*" and "*Description of the Notes—Security—Release of Liens*." In addition, the Collateral secures, or will secure, the 2026 Notes, the 2027 Notes, the Revolving Credit Facility, the Senior Term Loan Facility and certain hedging obligations, if any, on an equal and ratable basis. Pursuant to the terms of the Intercreditor Agreement, creditors under the Revolving Credit Facility Agreement and certain hedging obligations, if any, will have the right to receive priority with respect to proceeds from enforcement of security over the Collateral. See "*Description of certain financing arrangements—Intercreditor Agreement.*"
Use of Proceeds	We used the proceeds of the Offering to (i) pay the consideration for the Tender Offer, (ii) repay certain amounts outstanding under the Revolving Credit Facility, (iii) fund the redemption of all of the remaining 2027 Notes, (iv) fund the redemption of all outstanding 2026 Floating Rate Notes not tendered pursuant to the Exchange Offer and (v) pay certain fees, costs and expenses in connection with the Transactions. See "*Use of proceeds*."
Optional Redemption	The Issuer may redeem the Notes: • at any time and from time to time prior to February 5, 2025, in whole or in part, at a redemption price equal to 100% of the principal amount of the Notes so redeemed, plus a "make-whole" premium as of, and accrued and unpaid interest and additional amounts, if any, to, but excluding, the applicable redemption date; and • at any time and from time to time on or after February 5, 2025, in whole or in part, at the redemption price described under "*Description of the Notes—Optional redemption*," plus accrued and unpaid interest and additional amounts, if any, to, but excluding, the applicable redemption date.
Additional Amounts	Any payments made by or on behalf of the Issuer or the Guarantors under or with respect to the Notes or under or with respect to the Notes Guarantees will be made without withholding or deduction for taxes unless required by law. If withholding or deduction for such taxes imposed by a relevant taxing jurisdiction is required by law with respect to a payment made by or on behalf of the Issuer or the Guarantors under or with respect to the Notes or the Notes Guarantees, subject to certain exceptions, we will pay the additional amounts necessary so that the net amount received after the withholding or deduction is not less than the amount that would have been received in the absence of such withholding or deduction. Please see "*Description of the Notes—Withholding taxes*."

Tax Redemption	In the event the Issuer or the Guarantors would become obligated to pay certain additional amounts as a result of certain changes in tax laws, the Issuer may redeem the Notes in whole, but not in part, at any time, at a redemption price of 100% of the principal amount, plus accrued and unpaid interest, if any, to, but excluding, the applicable redemption date, and additional amounts, if any, then due and which will become due on the applicable redemption date. Please see "*Description of the Notes—Redemption for taxation reasons*."
Change of Control	Upon the occurrence of certain events constituting a change of control, the Issuer will be required to make an offer to repurchase the Notes at a purchase price equal to 101% of their aggregate principal amount, plus accrued and unpaid interest and additional amounts, if any, to, but excluding, the date of repurchase. A change of control will not be deemed to have occurred on one occasion if a certain consolidated net leverage ratio is not exceeded as a result of such event. See "*Description of the Notes—Change of Control*."
Certain Covenants.....	The Indenture contains covenants that restrict the ability of the Issuer and its restricted subsidiaries to: • incur or guarantee additional indebtedness; • make certain restricted payments and investments; • transfer or sell assets; • enter into transactions with affiliates; • create or permit to exist certain liens; • create or incur restrictions on the ability of our subsidiaries to pay dividends or to make other payments to us; • impair the security interests in the Collateral; and • merge, consolidate or transfer all or substantially all of our assets. These covenants are subject to a number of important qualifications and exceptions. See "*Description of the Notes—Certain covenants*." Certain of the covenants will be suspended if and for as long as the Notes achieve investment grade ratings. See "*Description of the Notes—Certain covenants—Suspension of covenants on achievement of investment grade status*." There can be no assurance that the Notes will ever achieve an investment grade rating or that any such rating will be maintained.
Transfer Restrictions	The Notes and the Notes Guarantees have not been registered under the Securities Act or the securities laws of any other jurisdiction. The Notes are subject to restrictions on transferability and resale. See "*Notice to investors*." Holders of the Notes will not have the benefit of any exchange or registration rights.

Additional Notes	Subject to compliance with the Indenture, the Issuer will be permitted to issue additional Notes, without notice to or the consent of holders of Notes, which shall have terms substantially identical to the Notes except in respect of certain specified terms. Such additional Notes will be treated, along with all other series of Notes, as a single class for the purposes of the Indenture with respect to waivers, amendments and all other matters which are not specifically distinguished for such series. For all purposes other than U.S. federal income tax purposes, additional Notes shall be deemed to form one series with any corresponding series of Notes previously issued if they have terms substantially identical in all material respects to such other series of Notes. Additional Notes sold pursuant to Regulation S from time to time may at the option of the Issuer be issued with the same ISIN, Common Code, CUSIP or other securities identification number as Notes belonging to the same series previously issued without being fungible with such series of initial Notes for U.S. federal income tax purposes. In such case, the additional Notes may be considered to have original issue discount ("**OID**") for U.S. federal income tax purposes (or a greater amount of OID) which may adversely affect the market value of the original Notes if the additional Notes are not otherwise distinguishable from the original Notes. If you are a U.S. holder (as defined in "*Tax considerations—Certain U.S. federal income tax considerations*") considering the purchase of Notes sold pursuant to Regulation S, you should consult your tax advisors concerning the particular U.S. federal income tax consequences to you of the purchase, ownership and disposition of such Notes, including with respect to the potential issuance of additional Notes that are not fungible with the applicable series of initial Notes for U.S. federal income tax purposes, but which nevertheless are not capable of being separately identified. In the event additional Notes are issued pursuant to Regulation S that bear the same ISIN, Common Code, CUSIP or other securities identification number as Notes belonging to the same series previously issued, without being fungible with such series of initial Notes for U.S. federal income tax purposes, book-entry interests in the relevant Regulation S global notes that form part of that series, including in respect of investors that hold book-entry interests in the Regulation S global notes on or prior to the date of issuance of such additional Notes, will not be eligible for transfer to book-entry interests in a Rule 144A global note (if any) representing Notes of that same series. Such a restriction could adversely impact the liquidity of sales of book-entry interests in the Regulation S global notes of such series of Notes. See "*Risk factors—Risks related to our financing arrangements and the Notes—Additional Notes sold pursuant to Regulation S may not be fungible with existing Notes for U.S. federal income tax purposes,*" "*Book-entry, delivery and form—Transfers*" and "*Description of the Notes—Additional Notes.*"
Listing	Application has been made to list the Notes and the Exchange Notes on the Securities Official List of the Exchange. There can be no assurance that such listing will be maintained.
No Prior Market	The Notes are a new class of securities for which there is currently no market. Although the Initial Purchasers have informed us that they intend to make a market in the Notes, the Initial Purchasers are not obligated to do so, and may discontinue market-making activities at any time without notice. Accordingly, we cannot assure you that a liquid market for the Notes will develop or be maintained.
Risk Factors	Investing in the Notes involves substantial risks. You should carefully consider the information under the caption "*Risk factors*" and the other information included in these listing particulars before deciding whether to invest in the Notes.

Governing Law	The Notes, the Indenture and the Notes Guarantees are governed by the laws of the State of New York. The Security Documents are governed by the laws of France or Denmark. The Intercreditor Agreement and Revolving Credit Facility Agreement are governed by English law.
Trustee.....	BNY Mellon Corporate Trustee Services Limited.
Security Agent	BNP Paribas.
Paying Agent and Calculation Agent.....	The Bank of New York Mellon, London Branch.
Registrar and Transfer Agent	The Bank of New York Mellon SA/NV, Dublin Branch.
Listing Agent.....	Matheson LLP.

SUMMARY HISTORICAL CONSOLIDATED FINANCIAL INFORMATION AND OTHER DATA

The following tables present our summary consolidated financial information and other data of the Issuer as of the dates and for each of the periods indicated. The summary consolidated financial information as of and for each of the years ended December 31, 2020, 2021 and 2022 and the nine months ended September 30, 2022 and 2023 are derived from the Financial Statements included elsewhere in these listing particulars. The other financial and operating data shown below are derived from the Group's accounting records or management reporting systems and were not included in the Financial Statements.

These listing particulars also contain certain unaudited adjusted financial data, such as Acquisition Adjusted Revenue and Acquisition Adjusted EBITDA, to reflect our results of operations for the periods presented as though the Acquired Companies had been acquired as of the beginning of the relevant period, instead of the actual date when the acquisitions occurred or were deemed to have occurred for accounting purposes, by taking into account the results of operations of the Acquired Companies derived from their accounting records, without adjusting for any other effects (the "**Acquisition Adjusted Financial Information**"). The Acquisition Adjusted Financial Information may not be prepared on the same basis as the Financial Statements included elsewhere in these listing particulars, and such information is not intended to be compliant with French GAAP, IFRS or any other generally accepted accounting principles. The Acquisition Adjusted Financial Information has not been prepared in accordance with the requirements of Regulation S-X of the Securities Act. No reconciliation has been provided from such information to the Group's audited or unaudited financial statements in these listing particulars. The Acquisition Adjusted Financial Information has been prepared by, and is the responsibility of, management of the Group. The independent statutory auditors of the Group have not audited, reviewed, compiled or performed any procedures with respect to the Acquisition Adjusted Financial Information for the purpose of its inclusion herein. The Acquisition Adjusted Financial Information is based on a number of assumptions that are subject to inherent uncertainties and you are strongly cautioned against placing undue reliance thereon.

We also present in these listing particulars certain figures for cash, debt and interest expense on an as adjusted basis to reflect the impact of the Transactions. You should not place undue reliance on the as adjusted financial information. The as adjusted financial information has not been prepared in accordance with the requirements of Regulation S-X under the Securities Act, the Prospectus Regulation, the UK Prospectus Regulation or any generally accepted accounting standards. Neither the assumptions underlying the adjustments nor the resulting adjusted financial information have been audited in accordance with any generally accepted auditing standards. The independent statutory auditors of the Group have not audited, reviewed, compiled or performed any procedures with respect to such as adjusted figures for the purpose of their inclusion herein.

These listing particulars contain certain unaudited last twelve months consolidated financial information ("**LTM**") for the twelve months ended September 30, 2023, which has been calculated by adding financial information for the nine months ended September 30, 2023 to financial information for the year ended December 31, 2022, and subtracting financial information for the nine months ended September 30, 2022. The presentation of this information is not made in accordance with IFRS. We present this data as it is the basis for certain ratios and as adjusted financial information included in these listing particulars that we believe is useful as supplemental measures for investors in assessing the impact of the Transactions and our ability to incur and service our debt, including the Notes. This data is not necessarily indicative of the results that may be expected for the year ending December 31, 2023, and should not be used as the basis for, or prediction of, an annualized calculation.

The following tables also contain various financial measures and ratios that are not presented in accordance with French GAAP or IFRS (collectively, "**Non-GAAP Measures**"). We present these Non GAAP Measures because we believe that these and similar measures are widely used by certain investors as supplemental measures of performance and liquidity, and that this information, along with comparable French GAAP or IFRS measures, is useful to investors because it provides a basis for measuring and comparing our operating performance with other companies across the periods presented. Such measures and ratios may not accurately reflect our performance, liquidity or our ability to incur debt, have limitations as analytical tools, and should not be considered as alternatives to operating profit or profit or any other performance measures derived from or in accordance with French GAAP, IFRS, SEC requirements or any other generally accepted accounting principles or as alternatives to cash flow from operating activities. Our Non-GAAP Measures may not be comparable to other similarly titled measures of other companies and have limitations as analytical tools and should not be considered in isolation or as a substitute for analysis of our operating results as reported under French GAAP or IFRS. Because of these limitations, our Non-GAAP Measures should not be considered as measures of discretionary cash available to us to invest in the growth of our business or as measures of cash that will be available to us to meet our obligations. You should compensate for these limitations by relying primarily on our financial statements and using these Non-GAAP Measures only supplementally to evaluate our performance.

Prospective investors are advised to consult their professional advisors for an understanding of the differences between French GAAP and IFRS and other systems of generally accepted accounting principles and how those differences may affect the financial information included in these listing particulars. See "*Management's discussion and analysis of financial condition and results of operations ─ Certain differences between French GAAP and IFRS."*

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 "*Presentation of financial and other information,"* "*Use of proceeds,"* "*Capitalization,"* "*Selected historical financial information"* and "*Management's discussion and analysis of financial condition and results of operations"* and the historical consolidated financial statements included elsewhere in these listing particulars.

Summary IFRS income statement data

	Year ended December 31,		Nine months ended September 30,		Twelve months ended September 30,
	2021	2022	2022	2023	2023
			IFRS		
(€ millions)					
Revenue	792.9	1,017.7	730.2	895.7	1,183.2
Other operating income	35.8	35.3	20.6	32.6	47.3
Equipment and logistics costs	(175.6)	(275.2)	(196.4)	(233.6)	(312.4)
Payroll costs	(252.3)	(301.6)	(215.9)	(261.1)	(347.3)
Head office overheads and network expenses	(83.8)	(98.7)	(73.5)	(91.7)	(116.9)
Depreciation, amortization and impairment	(238.7)	(288.2)	(201.6)	(248.2)	(334.4)
Other recurring income and expenses	0.5	(0.9)	(1.6)	(5.6)	(4.9)
Recurring operating profit	**78.8**	**88.6**	**61.9**	**88.1**	**114.8**
Non-recurring operating income and expenses	(0.8)	(7.2)	(3.7)	(3.2)	(6.7)
Operating profit	**78.0**	**81.3**	**58.1**	**84.9**	**108.1**
Net financial expense	(52.2)	(38.0)	(17.0)	(80.1)	(100.9)
Income tax expense	(12.5)	(19.5)	(13.8)	(8.7)	(14.4)
Profit/(loss) for the period	**13.4**	**23.9**	**27.4**	**(3.8)**	**(7.3)**

Summary French GAAP income statement data

	Year ended December 31,	
	2020	2021
	Restated[(a)]	
	French GAAP	
(€ millions)		
Revenue	646.1	792.9
Total equipment and logistics costs	277.6	313.4
Gross profit	**368.5**	**479.5**
Total payroll costs	202.8	250.7
Other operating costs	125.6	139.1
Net expense for doubtful receivables	3.1	1.4
Other operating (income)/expenses, net	(0.6)	(2.7)
Net income from ordinary activities	**37.6**	**91.1**
Financial expenses[(b)]	59.8	54.6
Extraordinary income (−) and expenses (+)	1.8	1.2
Income tax	3.3	11.0
Amortization of fair value adjustments to intangible assets	14.7	14.7
Net income (loss) for the period	**(42.0)**	**9.6**

(a) During the periods under review in these listing particulars, we have adopted certain French GAAP accounting standards that may have an impact on the comparability of the French GAAP financial information presented herein. This includes the application of the regulation ANC 2020-01 referred to in Note 3.2 to the 2021 French GAAP Audited Consolidated Financial Statements. This change in accounting method has been applied prospectively and has no significant impact on the 2021 French GAAP Audited Consolidated Financial Statements presented in this table, except for a change in the presentation of the balance sheet and the income statement which have been restated for this presentational change.

(b) "Financial expenses" have been reclassified as non-operating expenses in the 2021 French GAAP Audited Consolidated Financial Statements. The change in presentation has also been applied to the comparative figures for the year ended December 31, 2020 presented in the 2021 French GAAP Audited Consolidated Financial Statements. "Financial expenses" for the years ended December 31, 2020 and 2021 have been presented in this table in line with the 2021 French GAAP Audited Consolidated Financial Statements and such presentation does not correspond to the presentation in the 2020 Audited Consolidated Financial Statements included elsewhere in these listing particulars.

Summary IFRS balance sheet data

	As of December 31,		As of September 30,
	2021	2022	2023
(€ millions)		**IFRS**	
Assets			
Goodwill	813.8	946.4	957.0
Intangible assets	438.2	546.5	534.9
Property, plant and equipment	751.0	1,065.6	1,086.9
Non-current financial assets	7.5	58.9	53.4
Deferred tax assets	5.1	1.4	0.3
Other non-current receivables	0.0	0.0	0.0
Total non-current assets	2,015.6	**2,618.8**	**2,632.5**
Inventories and work in progress	23.6	33.8	38.9
Trade and other receivables	181.9	281.4	304.4
Current financial assets	0.0	7.7	14.3
Current tax assets	4.9	5.3	3.3
Cash and cash equivalents	114.3	78.3	71.1
Assets held for sale	0.0	0.0	0.0
Total current assets	**324.8**	**406.5**	**432.0**
Total assets	**2,340.4**	**3,025.3**	**3,064.6**
Equity and Liabilities			
Liabilities			
Share capital	5.1	5.1	5.1
Share premium	484.9	484.9	484.9
Reserves	(53.9)	(40.1)	(11.7)
Profit/(loss) for the period	13.4	23.9	(3.8)
Translation reserve	(1.4)	(1.4)	(1.9)
Equity attributable to owners of parent	**448.1**	**472.4**	**472.7**
Non-controlling interests	0.0	0.0	0.0
Total equity	**448.1**	**472.4**	**472.7**
Long-term debt	1,136.8	1,386.3	1,414.8
Non-current lease liabilities	257.1	395.8	407.5
Long-term provisions for employee benefit obligations	4.0	4.6	4.8
Other long-term provisions	6.9	11.5	11.8
Non-current financial instruments	10.7	25.9	23.3
Deferred tax liabilities	129.5	168.7	162.5
Other non-current payables	0.0	0.0	0.0
Total non-current liabilities	**1,545.0**	**1,992.7**	**2,023.3**
Short-term debt	25.0	90.0	105.9
Current lease liabilities	131.1	179.4	163.4
Current tax liabilities	3.1	4.1	12.5
Trade and other payables	188.0	286.7	286.9
Liabilities directly associated with assets held for sale	0.0	0.0	0.0
Total current liabilities	**347.3**	**560.2**	**568.8**
Total equity and liabilities	**2,340.4**	**3,025.3**	**3,064.6**

Summary French GAAP balance sheet data

	As of December 31,	
	2020 Restated[a]	2021
(€ millions)	**French GAAP**	
Assets		
Goodwill	690.9	736.2
Intangible assets	450.8	439.8
Property, plant and equipment	620.2	608.3
Other financial assets	3.7	4.6
Investments accounted for by the equity method	0.0	0.0
Total fixed assets	**1,765.8**	**1,788.9**
Inventories and work in progress	21.4	23.6
Advances and prepayments	0.3	0.5
Trade receivables	142.4	159.1
Other receivables	33.5	21.3
Marketable securities	12.0	12.3
Cash in bank and at hand	178.2	102.0
Accruals and other assets	15.3	14.6
Total current assets	**403.2**	**333.4**
Total assets	**2,168.9**	**2,122.4**
Equity and Liabilities		
Equity		
Share capital	5.1	5.1
Additional paid-in capital	484.9	484.9
Reserves and retained earnings	7.1	(32.6)
Net income attributable to owners of parent	(42.0)	9.6
Exchange differences	(1.1)	(1.2)
Equity attributable to owners of parent	**454.0**	**465.8**
Minority interests	0.0	0.0
Total equity	**454.0**	**465.8**
Provisions for contingencies and charges[b]	24.9	16.7
Bonds	1,073.2	1,092.5
Borrowings and financial debt	408.6	306.2
Other financial debt	11.2	7.7
Other financial debt other than from financial institutions	1.0	0.7
Trade payables	68.7	89.3
Tax and payroll liabilities[b]	112.4	125.4
Other payables	10.6	14.5
Accruals and other liabilities	4.3	3.6
Total liabilities	**1,690.1**	**1,640.0**
Total equity and liabilities	**2,168.9**	**2,122.4**

(a) During the periods under review in these listing particulars, we have adopted certain French GAAP accounting standards that may have an impact on the comparability of the French GAAP financial information presented herein. This includes the application of the regulation ANC 2020-01 referred to in Note 3.2 to the 2021 French GAAP Audited Consolidated Financial Statements. This change in accounting method has been applied prospectively and has no significant impact on the 2021 French GAAP Audited Consolidated Financial Statements presented in this table, except for a change in the presentation of the balance sheet and the income statement which have been restated for this presentational change.

(b) Per ANC Regulation No. 2020-01, deferred tax liabilities amounting to €46.3 million and €41.6 million as of December 31, 2020 and 2021, respectively, have been reclassified from "Provisions for contingencies and charges" to "Tax and payroll liabilities" in the 2021 French GAAP Audited Consolidated Financial Statements. This reclassification has also been applied to the comparative figures for the year ended December 31, 2020 presented in the 2021 French GAAP Audited Consolidated Financial Statements. This table presents this reclassification in line with the 2021 French GAAP Audited Consolidated Financial Statements and such presentation does not correspond to the presentation in the 2020 Audited Consolidated Financial Statements included elsewhere in these listing particulars.

Summary French GAAP and IFRS cash flow statement data

	Year ended December 31,				Nine months ended September 30,	
	2020	2021	2021	2022	2022	2023
(€ millions)	French GAAP	French GAAP	IFRS	IFRS	IFRS	IFRS
Cash flow from operations	160.4	243.9	301.1	313.9	224.4	257.0
Cash flow from/(used in) investing activities	(188.7)	(193.0)	(253.7)	(638.4)	(435.7)	(272.5)
Cash flow from/(used in) financing activities	114.2	(126.7)	(123.2)	288.7	130.5	8.4
Change in cash and cash equivalents[(1)]	**85.9**	**(75.8)**	**(75.8)**	**(36.0)**	**(81.4)**	**(7.0)**
Cash and cash equivalents at the end of the period[(2)]	**190.1**	**114.3**	**114.3**	**78.3**	**32.9**	**71.1**

(1) Includes effect of exchange rate changes on cash and cash equivalents.

(2) Includes bank overdrafts.

Other French GAAP and IFRS financial and operating data

	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,
	2020	2021	2021	2022	2022	2023	2023
(€ millions, unless otherwise specified)	**French GAAP**	**French GAAP**	**IFRS**	**IFRS**	**IFRS**	**IFRS**	**IFRS**
Revenue by activity							
Rental revenue	456.9	555.7	555.7	672.2	490.6	586.8	768.4
Services							
Transportation and Delivery	73.8	91.6	91.6	113.7	81.6	100.5	132.6
Consumables	49.4	62.6	62.6	72.6	52.6	58.1	78.1
Insurance	30.5	37.1	37.1	46.4	33.6	39.0	51.8
Cleaning and Repair	20.8	27.7	27.7	69.8	41.2	73.3	101.9
Training	1.7	2.9	2.9	3.3	2.4	3.0	3.9
Sub-rentals	14.5	17.6	17.6	40.6	28.6	35.9	47.9
Other Services	(1.6)	(2.3)	(2.3)	(0.9)	(0.6)	(1.0)	(1.3)
Services revenue	189.2	237.2	237.2	345.5	239.6	308.8	414.9
Revenue	**646.1**	**792.9**	**792.9**	**1,017.7**	**730.2**	**895.7**	**1,183.2**
Revenue by geography							
France	523.8	648.7	648.7	702.9	517.2	565.3	751.0
France Generalist	479.2	588.8	588.8	633.2	467.8	500.4	665.8
France Specialist	44.6	59.9	59.9	69.7	49.4	64.8	85.2
International	122.4	144.2	144.2	314.8	213.0	330.4	432.2
Poland	20.8	25.3	25.3	29.3	21.8	22.2	29.8
Germany	37.5	41.4	41.4	45.8	33.2	38.3	51.0
Italy	46.7	55.9	55.9	59.9	43.2	50.2	66.8
Spain	17.4	21.7	21.7	30.8	22.8	26.1	34.1
Denmark	—	—	—	140.8	92.0	146.5	195.3
Portugal	—	—	—	8.2	—	47.1	55.3
Revenue	**646.1**	**792.9**	**792.9**	**1,017.7**	**730.2**	**895.7**	**1,183.2**
Acquisition Adjusted Revenue[(1)]	—	—	—	—	—	—	**1,196.3**
EBITDA[(2)]	**201.6**	**257.9**	**319.5**	**378.7**	**264.9**	**337.5**	**451.3**
France[(a)]	156.6	202.8	258.7	269.8	190.2	219.5	299.1
International	44.9	55.1	62.3	111.0	76.2	119.1	153.9
EBITDA margin (%)[(3)]	**31.2%**	**32.5%**	**40.3%**	**37.2%**	**36.3%**	**37.7%**	**38.1%**
France	29.9%	31.3%	39.9%	38.4%	36.8%	38.8%	40.4%
International	36.7%	38.2%	43.2%	35.3%	35.8%	36.0%	35.5%
Acquisition Adjusted EBITDA[(4)]	—	—	—	—	—	—	**457.1**
Acquisition Adjusted EBITDA margin (%)	—	—	—	—	—	—	**38.2%**
Gross Capital Expenditures[(5)]	**(148.3)**	**(137.4)**	**(137.4)**	**(299.1)**	**(221.2)**	**(213.5)**	—
of which growth capital expenditures	(41.3)	(30.6)	(30.6)	(182.1)	(138.3)	(73.2)	—
of which maintenance capital expenditures	(107.0)	(106.8)	(106.8)	(117.0)	(82.9)	(140.3)	—
Unlevered free cash flow[(7)]	**58.6**	**149.0**	**149.0**	**28.2**	**(0.6)**	**33.6**	—
Cash conversion(%)[(6)]	**49.5%**	**60.6%**	**68.2%**	**73.2%**	**71.6%**	**50.5%**	—
Gross book value of equipment	**1,338**	**1,428**	**1,428**	**1,981**	**1,848.0**	**2,110**	—
Employees	**5,546**	**5,675**	**5,675**	**6,217**	**6,458**	**6,419**	—
France	4,592	4,643	4,643	4,352	4,839	4,425	—
International	1,008	1,032	1,032	1,865	1,618	1,994	—
Number of branches	**530**	**536**	**536**	**588**	**566**	**595**	—
France	447	448	448	462	458	459	—
International	83	88	88	126	108	136	—

(a) Includes the impact on EBITDA of certain holding costs of the Issuer, which amounted to €(1.3) million and €(1.5) million for the years ended December 31, 2020 and 2021 (French GAAP), and excludes €(2.1) million, €(1.5) million, €(1.2) million and €(1.8) million of holding costs for

the year ended December 31, 2022 (IFRS) and the nine months ended September 30, 2022 and September 30, 2023 and the twelve months ended September 30, 2023 (IFRS).

(1) We define Acquisition Adjusted Revenue as our revenue for the twelve months ended September 30, 2023, adjusted as though the Acquired Companies had been acquired as of October 1, 2022, instead of the actual date when the acquisitions occurred or were deemed to have occurred for accounting purposes, by taking into account the results of operations of the Acquired Companies, derived from their accounting records, up to the most recently available period, without adjusting for any other effects. We present Acquisition Adjusted Revenue as additional information because we believe it provides a useful measure of the combined revenue of the Group and the Acquired Companies. However, our actual results may differ significantly from those reflected in our Acquisition Adjusted Revenue due to the estimates and judgments applied in accounting for these acquisitions. Accordingly, Acquisition Adjusted Revenue for the years presented may not be representative of what our revenue would have been had the Acquired Companies been acquired as presented. See "*Presentation of financial and other information—Non-GAAP Financial Measures*." See also "*Risk factors—Risks related to our financial condition—The Acquisition Adjusted Financial Information and as adjusted financial information presented in these listing particulars may not reflect our actual results of operations for the periods presented and are not indicative of our future operating performance*."

	Twelve months ended September 30, 2023
(€ millions)	**IFRS**
Revenue	1,183.2
Additional revenue of the Acquired Companies	13.0
Grupo Vendap	4.3
Crucial Meridien Alugatudo	0.2
Aerotecnica	1.0
Jamart Location	2.5
Bernard Location	1.1
Uka Hauke Arbeitsbünhen	3.9
Acquisition Adjusted Revenue	**1,196.3**

(2) We define EBITDA as (i) with respect to EBITDA calculated using financial information calculated on a French GAAP basis, total net income (loss) for the relevant period before depreciation, amortization and provisions, amortization of fair value adjustments to intangible assets, interest expense, current income tax and extraordinary income and expenses and (ii) with respect to EBITDA calculated using financial information calculated on an IFRS basis, profit/(loss) for the relevant period before income tax expense, net financial expense, non-recurring operating income and expenses, depreciation, amortization and impairment, share-based payments (IFRS 2) and additions to provisions for post-employment benefit obligations. 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 or French GAAP and should not be considered as an alternative to profit as an indicator of our operating performance or any other measures of performance derived in accordance with IFRS or French GAAP. See "*Presentation of financial and other information—Non-GAAP Financial Measures*."

The table below sets forth a reconciliation of profit/(loss) for the period to EBITDA for the periods indicated.

	Year ended December 31,		Nine months ended September 30,		Twelve months ended September 30,
	2021	2022	2022	2023	2023
(€ millions)			**IFRS**		
Profit/(loss) for the period	13.4	23.9	27.4	(3.8)	(7.3)
Income tax expense	12.5	19.5	13.8	8.7	14.4
Net financial expense	52.2	38.0	17.0	80.1	100.9
Non-recurring operating income and expenses	0.8	7.2	3.7	3.2	6.7
Depreciation, amortization and impairment	238.7	288.2	201.6	248.2	334.8
Share-based payments (IFRS 2)	1.2	1.2	0.9	—	0.3
Additions to provisions for post-employment benefit obligations	0.8	0.7	0.4	1.1	1.4
EBITDA	**319.5**	**378.7**	**264.9**	**337.5**	**451.3**

The table below sets forth a reconciliation of net income (loss) to EBITDA for the periods indicated.

	Year ended December 31,	
	2020	2021
(€ millions)	**French GAAP**	
Net income (loss)	(42.0)	9.6
Depreciation, amortization and provisions	164.0	166.8
Amortization of fair value adjustments to intangible assets	14.7	14.7
Interest expense	59.8	54.6
Current income tax	3.3	11.0
Extraordinary income and expenses	1.8	1.2
EBITDA	**201.6**	**257.9**

(3) We define EBITDA margin as EBITDA as a percentage of the corresponding revenue for the relevant period.

(4) We define Acquisition Adjusted EBITDA as EBITDA, adjusted as though for the twelve months ended September 30, 2023, the Acquired

Companies had been acquired as of October 1, 2022, instead of the actual date when the acquisitions occurred or were deemed to have occurred for accounting purposes, by taking into account the results of operations of the Acquired Companies, derived from their accounting records, up to the most recently available period, without adjusting for any other effects. We present Acquisition Adjusted EBITDA as additional information because we believe it provides a useful measure of the combined EBITDA of the Group and the Acquired Companies. However, our actual results may differ significantly from those reflected in our Acquisition Adjusted EBITDA due to the estimates and judgments applied in accounting for these acquisitions. Accordingly, Acquisition Adjusted EBITDA for the years presented may not be representative of what EBITDA would have been had the Acquired Companies been acquired as presented. See "*Presentation of financial and other information—Non-GAAP Financial Measures*." See also "*Risk factors—Risks related to our financial condition—The Acquisition Adjusted Financial Information and as adjusted financial information presented in these listing particulars may not reflect our actual results of operations for the periods presented and are not indicative of our future operating performance*."

	Twelve months ended September 30, 2023
(€ millions)	**IFRS**
EBITDA	451.3
Additional EBITDA of the Acquired Companies	5.8
Grupo Vendap	1.7
Crucial Meridien Alugatudo	0.1
Aerotecnica	0.4
Jamart Location	1.1
Bernard Location	0.4
Uka Hauke Arbeitsbünhen	2.1
Acquisition Adjusted EBITDA	**457.1**

(5) Gross capital expenditures consist of the sum of: (i) purchase of rental equipment, consisting of (a) maintenance capital expenditures which represent purchases of rental equipment to replace our disposed fleet (corresponding to the diminution of the rental equipment gross book value amount), calculated (x) for the nine months ended September 30, 2022, by applying a maintenance ratio, determined as of December 31, 2022, to gross capital expenditures for the nine months ended September 30, 2022, and (y) for the nine months ended September 30, 2023, by applying a maintenance ratio, determined on a last-twelve-months basis, to gross capital expenditures for the nine months ended September 30, 2023, and (b) growth capital expenditures, which are rental equipment purchases that increase the value of our fleet; and (ii) purchase of non-rental equipment, such as operating capital expenditures related to our branches, such as investment in IT or real estate.

(6) We define cash conversion as EBITDA (French GAAP or IFRS excluding IFRS 16 leases, as applicable), *less* maintenance capital expenditures (as defined above), *plus* the net book value of assets sold, as a percentage of EBITDA (French GAAP or IFRS excluding IFRS 16 leases, as applicable) for the relevant period.

(7) We define unlevered free cash flow as EBITDA (French GAAP or IFRS excluding IFRS 16 leases, as applicable) for the relevant period, *less* gross capital expenditures, *plus* changes in net working capital, *plus* the net book value of assets sold, and including non-recurring items. We present unlevered 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 unlevered free cash flow differently than we do. Unlevered free cash flow is not a measure of financial performance under French GAAP or IFRS and should not be considered as an alternative to profit as an indicator of our operating performance or any other measures of performance derived in accordance with French GAAP or IFRS. See "*Presentation of financial and other information—Non-GAAP Financial Measures*."

The table below sets forth the components of our unlevered free cash flow for the periods indicated.

	Year ended December 31,				Nine months ended September 30,	
	2020	2021		2022	2022	2023
(€ millions)	**French GAAP**	**French GAAP**	**IFRS**	**IFRS**	**IFRS**	**IFRS**
EBITDA	**201.6**	**257.9**	**319.5**	**378.7**	**264.9**	**337.5**
IFRS 16 rent	—	—	(61.6)	(69.3)	(50.0)	(58.9)
EBITDA (French GAAP or IFRS excluding IFRS 16 leases)	**201.6**	**257.9**	**257.9**	**309.4**	**214.8**	**278.5**
Gross capital expenditures	(148.3)	(137.4)	(137.4)	(299.1)	(221.2)	(213.5)
Change in net working capital	2.0	24.5	24.5	17.9	7.2	(34.2)
Net book value of assets sold[(a)]	5.2	5.2	5.2	7.2	2.2	6.3
Non-recurring items[(b)]	(1.8)	(1.2)	(1.2)	(7.2)	(3.7)	(3.5)
Unlevered free cash flow	**58.7**	**149.0**	**149.0**	**28.2**	**(0.6)**	**33.6**

(a) Represents the net book value of rental equipment and other assets disposed of during the relevant periods.

(b) Represents one-off write-offs, including internal IT upgrades and severance costs.

As adjusted financial data[(1)]

	As of and for the twelve months ended September 30, 2023
(€ millions, other than ratios)	**IFRS**
As adjusted total third-party financial debt[(2)]	1,826.7
As adjusted senior secured debt[(3)]	1,734.6
As adjusted cash and cash equivalents[(4)]	71.1
As adjusted total third-party net financial debt[(5)]	1,755.6
As adjusted senior secured net debt[(6)]	1,663.5
As adjusted financial interest expense[(7)]	74.7

Ratio of as adjusted total third-party net financial debt to Acquisition Adjusted EBITDA	3.8x
Ratio of as adjusted senior secured net debt to Acquisition Adjusted EBITDA	3.6x
Ratio of Acquisition Adjusted EBITDA to as adjusted financial interest expense	6.1x

(1) As adjusted financial data has been presented for illustrative purposes only and does not purport to be what our financial data would have actually been had the Transactions occurred on the date assumed, nor does it purport to project our financial data for any future period or our financial condition at any future date. See "*Presentation of financial and other information—As adjusted financial information for the Transactions*."

(2) As adjusted total third-party financial debt represents our total third-party financial debt as of September 30, 2023, as adjusted to give effect to the Transactions, including the use of proceeds of the Offering as contemplated under "*Use of proceeds*," as if the Transactions had occurred on September 30, 2023. See "*Capitalization*."

(3) As adjusted senior secured debt represents debt under the 2026 Notes, the Notes offered hereby, the Revolving Credit Facility, the Senior Term Loan Facility, the Grupo Vendap Facility, our finance leases, our IFRS 16 leases and certain bilateral loans, as adjusted to give effect to the Transactions. The amount of 2026 Floating Rate Notes exchanged for Exchange Notes in the Exchange Offer will not impact the aggregate principal amount of our senior secured debt. See "*Capitalization*."

(4) As adjusted cash and cash equivalents represents total cash and cash equivalents (as adjusted to give effect to the Transactions) and the use of proceeds of the Offering as contemplated under "*Use of proceeds*." The actual amount of cash and cash equivalents may vary based on various factors, including actual fees and expenses paid in respect of the Transactions, exchange rate fluctuations and cash collected or spent prior to the Issue Date. See "*Capitalization.*"

(5) As adjusted total third-party net financial debt represents as adjusted total third-party financial debt less as adjusted cash and cash equivalents.

(6) As adjusted senior secured net debt represents as adjusted senior secured debt less as adjusted cash and cash equivalents.

(7) As adjusted financial interest expense represents the estimated financial interest expense on as adjusted total third-party financial debt as of September 30, 2023, which is based on a margin of 350 basis points for the Notes and assuming a constant EURIBOR rate for the twelve months ended September 30, 2023, plus the commitment fees relating to the Revolving Credit Facility. Assumes no 2026 Floating Rate Notes are exchanged for Exchange Notes in the Exchange Offer. As adjusted financial interest expense excludes interest expenses on our finance leases and IFRS 16 leases, charges related to debt issuance costs and hedging. As adjusted financial interest expense has been presented for illustrative purposes only and does not purport to represent what our interest expense would have actually been had the Transactions occurred on the date assumed, nor does it purport to project our interest expense for any future period or our financial condition at any future date.

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 these listing particulars, before deciding 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, cash flows, reputation, ability to meet our financial obligations and prospects, as well as the value of the Notes. If any of the risks described below were to materialize, we may not be able to pay interest or principal on the Notes when due and you could lose all or part of your investment. The risks described below are not the only risks and uncertainties we face. Additional risks and uncertainties not presently known to us or that we currently deem immaterial may also impair our business operations and affect your investment.

Risks related to our industry and markets

We are vulnerable to fluctuations and deteriorations in the economic conditions in the industries and markets in which we operate, with particular exposure to such conditions in France.

We may be negatively impacted by economic downturns and uncertainty in the countries in which we operate or the global markets generally, as adverse economic conditions may reduce commercial activity, cause disruption and volatility and increase rates of default and bankruptcy. The demand for our products and services is strongly correlated to general economic conditions. During economic downturns, certain of our customers (in particular, small-to-medium enterprises and individuals) often cut spending or become more likely to go out of business or default on their payment obligations. We serve a large number of customers, with a significant portion of our business being derived from construction, infrastructure, civil engineering and industrial activities. Many of the industries we serve are cyclical and seasonal by nature, with activity levels that tend to increase during periods of economic growth, decline during economic downturns and vary from quarter to quarter. For example, the construction industry in particular is characterized by seasonal fluctuations and is generally a cyclical business that typically lags the general economic cycle by between 12 and 24 months.

All of the industries we serve may be impacted, either temporarily or over the long-term, by changes in government infrastructure spending, public and private construction spending levels, activity levels in the businesses that regularly rent equipment and tools for their projects, our customers' ability to undertake new projects as a result of, among other things, the conditions of the credit markets, the cost of construction materials and weather conditions. Downturns in the industries we serve, the global economy and the local economies in the markets we serve have historically resulted, and may result in the future, in reduced demand for our equipment and services, and such downturns also typically intensify price competition. Since early 2022, central banks have raised interest rates in order to fight inflationary pressures and further rate increases are possible. Any extended period of inflation or the impact of interest rate increases may lead to stagflation or a recession, which could in turn lead to the postponement of construction, infrastructure, civil engineering and other industrial activities, thereby lowering the demand for our services. Any fluctuation or deterioration in the industries we serve could have a material adverse effect on our business, financial condition, results of operations and cash flows.

We operate across seven geographic markets: France, Germany, Italy, Poland, Spain, Denmark and Portugal. We are exposed to the economic conditions in these countries generally and particularly to economic conditions in France, where we generate most of our revenue (63.1% of our Acquisition Adjusted Revenue for the twelve months ended September 30, 2023). According to the *Banque de France*, the expected recovery of the French economic activity in 2023 following negative impacts related to the Covid-19 pandemic had been weakened by depressed general economic conditions due to, among others, rising inflation, tightening monetary policies and pressures on public finances, all of which may be exacerbated by geopolitical threats, including the current conflict in Ukraine. In June 2023, the *Banque de France* increased their expectations for GDP recovery, predicting GDP to rise by 1.0% in 2024 and 1.5% in 2025. Simultaneously, the *Banque de France* warned of a less favorable external environment, expecting slow recovery in foreign trade and French exports. In addition, supply chain difficulties, especially in the automotive and technology industries where a semiconductor shortage persisted through 2021 and 2022, delaying the recovery of the economy to pre-pandemic levels. Similar supply chain difficulties could materialize through an increase in the delivery time of our trucks, machines (forklifts, shovels and loaders) and containers.

Unfavorable conditions in the capital and credit markets and political uncertainty may adversely affect business conditions and our access to credit needed to maintain and grow our business.

Disruptions in the global capital and credit markets as a result of economic downturns, economic uncertainty, regulatory changes, financial institution failures, armed conflicts, pandemics, trade wars or other factors could adversely affect our ability to access the liquidity we need to make investments in our equipment fleet or to otherwise maintain our business and pursue our strategy. For example, if the financial institutions that have extended credit commitments to us, or from whom we seek credit commitments in the future, were to be adversely affected by conditions in the capital and credit markets, they might be unable to fund borrowings under such 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. Unfavorable market conditions could also make it difficult for our customers to obtain the

financing they need for their projects on reasonable terms, which may reduce demand for our products and services or may hinder our customers' ability 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. Our finance costs and those of our customers are particularly sensitive to interest rates, exchange rates and other monetary policies of governments and central banks. This risk is increased in light of material increases in global inflation since early 2022, reaching double-digit levels not seen since the 1980s, and expectations that annual inflation may remain high for a long period of time. See "*—Risks related to our operations—We are exposed to counterparty risks and may incur losses because of such exposure.*" Our suppliers may also be adversely impacted by unfavorable capital and credit markets, causing disruption to or delay of product deliveries.

Political uncertainty may also negatively impact the capital and credit markets. For example, changes in foreign policy or regulatory requirements, trade restrictions or sanctions, higher tariffs and changes to existing, or the imposition of additional, regulations relating to the import or export of products.

Global markets are experiencing volatility and disruption following the escalation of geopolitical tensions, including the recent events in the Middle East and the start of the military conflict between Russia and Ukraine. On February 24, 2022, a full-scale military invasion of Ukraine by Russian troops commenced, leading to sanctions and other penalties being levied by the United States, European Union, the United Kingdom and other countries against Russia, Belarus, the Crimea, Zaporizhzhia and Kherson regions of Ukraine, the so-called Donetsk People's Republic, and the so-called Luhansk People's Republic, including agreement to remove certain Russian financial institutions from the Society for Worldwide Interbank Financial Telecommunication ("**SWIFT**") payment system. In response, Russia has instituted countersanctions against such countries. Additional potential sanctions and penalties may also be implemented. Although the length and impact of the ongoing military conflict is highly unpredictable, the conflict in Ukraine has led and could continue to lead to market disruptions, including significant volatility in commodity prices, credit and capital markets, as well as supply chain interruptions for some of our third-party suppliers. We have no activities or operations in Russia, Belarus or Ukraine. However, if the conflict intensifies or expands beyond Ukraine, it could have an adverse impact on our business, particularly our operations in Poland, which represented 2.5% of our revenue for the twelve months ended September 30, 2023.

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

The equipment rental industry is highly competitive and the markets in which we operate are generally served by numerous competitors, ranging from large national and international equipment rental companies to small and independent businesses. In France, we face competition principally from large international rental companies as well as from regional and local players. In our other markets, we face competition from well-established international and local competitors. Some of our competitors have greater financial, marketing and other resources and may be more specialized or have greater name recognition than we do. We also face competition from smaller competitors operating at national, regional or local levels, many of whom benefit from a strong market presence and local relationships. Over time, our competitors could consolidate their businesses and the diversified service offerings or increased synergies of these consolidated businesses could increase the competitive pressures we face. We may also encounter increased competition from new market entrants. In addition, the equipment rental market is increasingly becoming digitized and there is more focus on the sustainability of equipment assets, factors which are beginning to be used as differentiators within the market. Any strategy we adopt to address such competition risks may require significant cost and management attention and may not be successful. The existing competitive factors in our markets and any changes to the competitive landscape of our industry and markets could result in a loss of market share and have a material adverse effect on our business, financial condition, results of operations and cash flows.

We believe that our offering is competitive on the basis of, among other things, quality and breadth of service, expertise, reliability, price and the size, mix and relative attractiveness and availability of our rental equipment fleet. However, we may not be able to maintain one or more of these advantages. From time to time, we or our competitors may lower rental rates or prices in order to compete more effectively with other players. To the extent we lower rental rates or otherwise adjust our strategy in order to retain or increase market share, our operating margins could be adversely affected. In addition, we may not be able to match our competitors' price reductions. Further, our rental fleet is also significantly affected by the level of our capital expenditures and, if we are required to reduce or delay capital expenditures on our fleet for any reason, the fleet may age and put us at a disadvantage to our competitors. Any of these events could cause our customers to reduce their level of business with us or terminate their contractual arrangements with us, any of which could result in decreased market share and revenue and any of the events described in this *"Risk factors"* section could materially adversely affect our business, financial condition, results of operations and cash flows.

A regional or global health pandemic, such as the Covid-19 pandemic, may impact our business, affecting our operations and demand for our services.

Public health crises, epidemics or pandemics could materially adversely affect our business. For example, in March 2020, the World Health Organization declared the coronavirus disease ("**Covid-19**") a global pandemic and governmental

authorities around the world implemented measures to reduce its spread. These measures adversely affected economies and financial markets, and, along with causing overall widespread uncertainty following months of lockdowns and related uncertainty, led to an economic downturn in the jurisdictions in which we operate and had a direct impact on our business. In particular, lockdown and confinement periods caused a downturn in construction, company events, civil engineering and industrial activities, which resulted in reduced demand for our products and services and had a significant impact on our revenue in the year ended December 31, 2020, which decreased by 12.4% compared to our revenue in the year ended December 31, 2019. Since the year ended December 31, 2020, the impact of the Covid-19 pandemic on our activities has not been significant, and the boom in construction in part represented activity deferred by the pandemic.

There can be no assurance that a similar pandemic such as this may not occur in the future (either as a result of a new strain of virus or a new wave of the Covid-19 pandemic), and the impact of such a pandemic cannot be predicted.

Risks related to our operations

Our operations expose us to risks inherent in operating a business across multiple jurisdictions.

We operate in seven European countries. As a result, we are subject to a variety of complex and rapidly evolving legal and regulatory regimes which govern, among other things, labor matters, consumer rights, workplace health and safety, product safety, environmental protection, financial reporting, corporate governance, tax, trade, imports and exports and competitive practices. These legal and regulatory regimes apply at a local, national and EU-level.

There are many risks associated with cross-border operations, including, among others, political instability, inconsistent or contradictory regulations across jurisdictions and changes in legal and regulatory requirements. These risks may be greater in certain areas where we operate and the materialization of any of these risks may affect our personnel, reputation, business, results of operations and our ability to meet our objectives, including the following specific risks:

- poor or declining macroeconomic conditions;
- social and political unrest and instability;
- terrorist attacks, natural disasters, epidemics and pandemics, telecommunications failures, security breaches (including cyber-attacks) and other business disruptions and security issues;
- adverse changes in government policy, including those affecting investment, import and export and any regulations impacting the equipment rental business or commercial operations generally;
- differing local product preferences and requirements;
- differing regulations encouraging or requiring the decarbonization of construction equipment;
- pressures on management time and attention due to the complexities of overseeing multinational operations;
- challenges in maintaining, staffing and managing multinational operations;
- differing labor regulations and collective bargaining regimes;
- potentially adverse consequences from changes in or interpretations of tax laws;
- enforcement of remedies in various jurisdictions;
- the foreign currency translation and transaction risks of operating in euro, Polish zloty and Danish kroner;
- the risk that the business partners upon whom we depend will not perform as expected;
- obstacles to the repatriation of earnings and cash;
- reduced protection for intellectual property in some countries;
- compliance with applicable antitrust and other regulatory rules and regulations relating to potential future acquisitions;
- price controls;
- ownership regulations; 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, as a result, we are subject to risks related to insufficient oversight. In such cases, or if any of the

above-mentioned risks were to materialize, we could be fined or otherwise sanctioned by regulators, which could materially adversely affect our business, financial condition, results of operations and cash flows.

We may be unable to forecast trends accurately and, as a result, may not be able to optimize our equipment and fleet mix and utilization rate.

Our decisions about investments in new equipment and fleet mix 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, infrastructure 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, uncertainty and other factors can make it difficult 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. If growth is greater than expected, we may not have a fleet of appropriate size and mix. 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 could increase our costs. Uncertainty about future product demand 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, which could in turn materially adversely affect our business, financial condition, results of operations and cash flows.

Effective management of our rental equipment is vital to our business.

Our rental equipment has a long economic life, and managing this equipment is a critical element to our rental business. Rental equipment asset management requires that we build and maintain an inventory of durable, high-quality products that anticipate the needs of our customers and changes in technology, legislation, regulations, building codes and local permitting in the various markets in which we operate. In addition, we must successfully maintain and repair this equipment cost-effectively to maximize the economic life of the products and the proceeds received from the sale of these products while also operating a reliable database of all maintenance interventions. As the needs of our customers change, we may need to incur costs to relocate or retrofit our lease assets to better meet shifts in demand. In addition, if the location of our assets is not aligned with regional demand, we may be unable to take advantage of business opportunities despite excess inventory in other regions. If we are not able to successfully manage our lease assets, our business, financial condition, results of operations and cash flows could be materially adversely affected.

We depend on equipment manufacturers and suppliers to obtain rental equipment for our fleet on a timely basis and on acceptable terms.

We purchase most of our rental equipment and products, including consumables, from well-known original equipment manufacturers, as well as other suppliers. Although we evaluate our counterparties prior to entering into long-term and other significant procurement contracts, we cannot predict the impact of changes in the economic environment and other developments in the respective businesses of our supplier partners. Insolvency, financial difficulties, logistical and strategic problems, shifts in energy policies or other factors may result in our suppliers not being be able to fulfill the terms of their agreements with us on a timely basis, on acceptable terms or at all. The ongoing energy transition may also necessitate significant modifications in the types of equipment and technologies available, potentially leading to scarcity of certain traditional equipment and a rise in costs for new, energy-efficient alternatives. Further, suppliers may be unwilling to extend contracts that currently provide favorable terms to us or they may seek to renegotiate existing contracts with us. As we do not manufacture any of the products that we rent or sell (in the case of spare parts and consumables) 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. This reliance becomes increasingly significant in the context of the global shift towards sustainable energy sources, as this may affect the availability and cost of equipment compatible with these new energy standards. If our suppliers are unable or unwilling to continue providing us with any of these finished products and/or replacement parts, we could face increased costs for our equipment, which we may not be able to pass on to our customers, or longer delivery times, which could put us at a competitive disadvantage as compared with other market players, as delays in the delivery of new equipment or replacement parts for existing equipment may impair our ability to respond to increases in demand and may cause us to miss opportunities in our markets. Additionally, the ongoing global energy transition towards renewable and sustainable energy sources could lead to increased costs for environmentally-compliant equipment. For instance, we experienced supply chain difficulties in 2022, which temporarily increased the delivery time of our trucks, machines (forklifts, shovels and loaders) and containers from an estimated nine to 12 months prior to the summer of 2021, to 15 months and up to 18 months, respectively in 2022. Although delivery times for key equipment and supplies used in our business have returned to more normal levels, any of the factors described above could materially adversely affect our business, financial condition, results of operations and cash flows.

The cost of equipment purchases for and the maintenance, operation, and repair costs associated with our rental fleet may increase.

The cost of new equipment that we purchase for our rental fleet may increase as a result of increased raw material costs to our suppliers, which may be caused by, among other things, inflation, market fluctuations, supply and demand, currency fluctuations, production and transportation disruptions, tariffs, resource availability, geopolitical developments and other world events. For example, we experienced a moderate increase of less than 6% in the purchase price of new equipment ordered in 2022. These increases could materially affect our financial condition or results of operations in future periods to the extent that we are not able to pass such cost increases through to our customers. In addition, as the equipment in our rental fleet ages, the cost of maintaining such equipment generally increases if not replaced within a certain period of time, with inflation further contributing to this increase in maintenance costs. Environmental regulations and the need for equipment to be energy-efficient or to use alternative fuels may also increase maintenance and operational costs. Determining the optimal average age for disposal of our rental fleet is subjective and requires considerable estimates by management, which may prove to be incorrect.

In addition, we are subject to risks related to the increases in energy or transportation costs. The shift to more sustainable energy sources and the potential for carbon taxation or other environmental compliance costs add another layer of complexity and potential expense. Energy prices are in turn subject to significant volatility caused by, among other things, inflation, market fluctuations, supply and demand, currency fluctuations, production and transportation disruptions, tariffs, resource availability, geopolitical developments and other world events (such as the conflict between Russia and Ukraine or the current political instability in the Middle East), as well as climate change related conditions and other factors beyond our control. In particular, the Russian invasion of Ukraine has put into doubt Western Europe's energy supply, particularly in countries that are dependent on imported fossil fuels, while in France, there is uncertainty surrounding nuclear plant shutdowns for maintenance, leading to a highly uncertain energy environment that could have an effect on the construction industry in the countries where we operate. We offer fuel for equipment and vehicles as part of our Services offering, and our competitive position depends, in part, on our ability to pass on these cost increases to our customers. We also expend 2.1% of revenue on fuel costs related to our internal activities (gas, fuel and diesel for commercial vehicles and diesel for delivery transport), which costs we may not be able to pass on and/or offset the impact by improving productivity or realizing sufficient cost savings elsewhere. Increases in, or unanticipated, equipment purchase and maintenance and repair costs could materially adversely affect our business, financial condition, results of operations and cash flows.

We may experience difficulties in passing such cost increases to our customers, which could materially affect our financial condition or results of operations. For example, for customers with whom we have framework agreements, we may only negotiate prices at the end of their contracts, which may be up to two years. Such customers represented 67.8% of our revenue in France as of December 31, 2022, and included our top ten customers, which represented 23.9% of our revenue in France as of December 31, 2022, and our "Major Accounts", "Large Accounts" and "Key Accounts" (each as defined in "*Business—Customers*"), which represented 24.6%, 8.7% and 27.6% of our revenue in France as of December 31, 2022, respectively. Outside of France, we have been able to pass on these price increases as necessary. As of December 31, 2022, our "Major Accounts" category included 22 international large groups.

We are exposed to counterparty risks and may incur losses because of such exposure.

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. In case of such default in payment obligations, we may be unable to collect some or all of receivables due to us, in which case some or all outstanding amounts would need to be written off and we would need to seek alternative sources of funding for our working capital requirements. In case of a delay in a customer's payment obligation, we may be exposed to the risk of bearing in advance the costs and amounts necessary to provide our services. Furthermore, should a supplier or service provider counterparty become insolvent or otherwise unable to meet its obligations, we may need to find a replacement to carry out such supply obligations or we may need to fulfill certain service obligations ourselves, which could materially adversely affect our business, financial condition, results of operations and cash flows.

Future technological development may render our current rental fleet technologically depleted before the end of the initially estimated economic life.

While technological development in the types of tools and equipment that we have traditionally focused our business on has been relatively slow as compared with other sectors that are characterized by more rapid technological change, the products we rent are increasingly high-tech. Rapid technological evolution and disruptive technologies, failure to upgrade equipment with new technology in time and related changes in laws and regulations (for example, through governments requiring the use of lower emissions technology or by customers actively selecting more sustainable options), may render components of our rental fleet technologically obsolete or redundant prior to the end of its planned useful rental life. An unexpected increase of redundant or obsolete products may have a material adverse effect on us and a secondary market for such products may not exist or may be insufficient for our resale needs. Although we aim to minimize this risk by using

a well-diversified supplier base and by investing in up-to-date equipment, technical obsolescence and redundancy may materially adversely affect our business, financial condition, results of operations and cash flows.

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

Our approach to fleet management is generally to replace equipment only at the end of its useful rental life, at which time it is sold on the secondary market or is used for parts. Usually a piece of equipment is fully depreciated down to its residual value by the time it is removed from our rental fleet. Nonetheless, the market value of any given piece of rental equipment at the point of sale could be less than its depreciated value or residual value at that time. 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 similar used equipment on the market;
- the age and condition of the equipment;
- the effect of advances and changes in technology in new equipment models; and
- the market price for comparable new equipment.

Changes in our assumptions regarding depreciation could change our depreciation expense, as well as the gain or loss realized upon the disposal of equipment. Any significant decline in the selling prices for used equipment could materially adversely affect our business, financial condition, results of operations and 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 customer orders and information, 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 cyberattack 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, ransomware, malware or similar threats. Disruptions resulting from these threats, system crashes or other causes, including employee or third-party error or malfeasance, could have a material adverse effect on our business and our reputation with our customers. In particular, we use ERP software, databases and systems across our network, and any disruption to our ERP software, databases and systems, or the failure of any of these systems to operate as expected, could adversely affect our business operations. We back-up most of our data daily and have a recovery plan in place for most of our systems, including our enterprise resource planning systems. However, our recovery plan may not cover all of our ERP software and systems, our back-up systems may fail and recovery of our data may not be possible, may be incomplete or may be subject to significant 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 action or error or the malfeasance or errors of others, could harm our reputation and give rise to liabilities. In all 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. We must also comply with strict data protection and privacy laws at the EU-level 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 ("**GDPR**"), which became applicable on May 25, 2018, increased both the number and the restrictive nature of the obligations for the collection and processing of personal data with which we must comply. Although we collect and store a limited amount of personal data in the ordinary course of our business, failure to comply with the provisions of GDPR could materially adversely affect our business, financial condition, results of operations and cash flows.

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

Our growth strategy depends on our ability to successfully identify and open new branches, both in countries where we already have an established presence as well as other countries to which we may decide to expand in the future. We cannot assure you that we will be able to identify attractive new branch locations and successfully open and operate them. Opening new branches will likely require significant investments and management attention 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 identify and operate such new branches. Any significant diversion of management's attention, unexpected cost associated with or any major difficulties encountered in operating these new branches 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 materially adversely affect our business, financial condition, results of operations and cash flows.

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 and we regularly evaluate a variety of potential add-on acquisitions from time to time based on whether would be cash flow-accretive and/or a strategic fit. While we have generally focused on small to mid-sized acquisition targets, we may also undertake more significant, strategic and transformational acquisitions and business combinations in the future and may expand our business into countries in which we are not present at this time, as we did with the GSV Acquisition in Denmark and the Grupo Vendap Acquisition in Portugal. 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 or on advantageous terms. We expect to face competition for acquisition candidates, which may limit the number of acquisition opportunities we have 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, financial condition and results of operations, 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 acquisition targets and expected synergies may prove inaccurate, in particular with respect to the future performance of such targets;
- 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 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 markets in which we have not previously operated.

In the short-term, the disruptive effects of an acquisition can result in, among other things, higher leverage, 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 in order to preserve customer relationships, and this integration period tends to be longer for larger 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 historical results or expectations or to generate the expected margins or cash flows. Although we typically thoroughly analyze each acquisition target, our assessments are subjective and subject to a number of assumptions concerning profitability, growth, interest rates and company valuations, any or all of which could be incorrect. 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, as well as other potential liability in connection with litigation and investigations. Although we typically undertake due diligence when analyzing an acquisition opportunity, we cannot ensure that there will not be unexpected risks, liabilities or obligations that could materially adversely affect our business, financial condition, results of operations and cash flows.

In addition to the risks described above, the integration of acquired businesses in countries where we do not currently operate may be more difficult and take more time due to accounting, 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 to local economies and government spending, 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 strengthen their positions.

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 and service offerings and enter new markets, we will be required to manage an increasing number of relationships with various customers, suppliers, logistics providers and other third parties. The failure or delay of our management in responding to these challenges could materially adversely affect our business, financial condition, results of operations and cash flows.

We may pay for any future acquisitions using cash, equity or incurrence of and/or assumption of indebtedness. To the extent that our existing sources of cash are not sufficient, we may require additional debt financing to complete such acquisitions. Acquisitions involving debt financing may create or magnify risks with respect to our leverage and debt service costs. Although the Indenture will restrict, and the 2026 Indenture, the 2027 Indenture and the Revolving Credit Facility Agreement restrict, the amount of debt we may incur, such instruments will permit us to incur additional indebtedness. However, we may not be able to meet our payment obligations if we default under these restrictions. If one or more acquisitions results in our becoming substantially more leveraged, our flexibility in responding to adverse changes in economic, business or market conditions may be adversely affected, which could materially adversely affect our business, financial condition, results of operations and cash flows.

We depend on certain customer relationships, some of which are essential for our ability to access certain markets and customer groups and to maintain cost leadership.

In the year ended December 31, 2022, Kiloutou S.A.S.'s top ten customers accounted for 23.9% of Kiloutou S.A.S.'s revenue and our largest customer represented less than 10% of Kiloutou S.A.S.'s revenue. Most of our relationships with local customers are not subject to our framework agreements, which exposes us to the risk that such customers can switch equipment rental companies at any time. There can be no assurance that we will continue to be able to rent and sell our products to our customers on terms as favorable as in the past or at all. Any loss of key contracts or accounts, individually or collectively, could materially adversely affect our business, financial condition, results of operations and cash flows.

Our business depends on the policy of certain of our customers of outsourcing their fleet; this policy could change, which would have a material adverse impact on our business, financial condition and results of operations.

Our business depends in large part on the policy of our rental customers of outsourcing their vehicle fleet and equipment. Upon expiration of their contracts, these customers may decide not to renew them if they find that outsourcing is not as profitable as, or is less advantageous than, owning their own vehicles and equipment or changing to a financial rental contract combined with additional services that we do not or cannot offer. If any of these events were to occur, they could have a material adverse impact on our business, financial condition, results of operations and cash flows.

We are dependent on our executives, managers and employees.

Our success depends upon the continued service and skills of our existing senior management team and, in particular, our chief executive officer, Olivier Colleau. Our senior management team has significant experience in the industries and markets in which we operate. If we were to lose the services of any 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 industry experience and knowledge of our business. Competition for managers in our industry is significant, particularly in the context of an ongoing general labor shortage and inflationary pressures on salaries, and, if any of our key managers were to join a competitor or to form a competing company, we may lose customers, know-how and other personnel.

In addition, we depend upon the quality of our personnel, including sales and customer service staff who routinely interact with and fulfill the needs of our customers. There is no assurance we can continue to attract, train and retain the qualified personnel on whom we depend, particularly in the context of a labor shortage. This risk may be greater in certain countries in which we operate. A significant increase in personnel turnover or other difficulties in attracting, training and retaining personnel could materially adversely affect our business, financial condition, results of operations and cash flows.

Our risk management, internal controls and compliance processes may fail to detect, prevent and address the risks we face and, as a result, we may be subject to regulatory penalties and reputational harm and our insurance coverage may not be sufficient to address any costs resulting from the materialization of any of the risks we face.

We operate a decentralized business through hundreds of branches across Europe. Our internal control and compliance processes may not prevent all future breaches of law, accounting standards or our internal codes of conduct or to otherwise detect, prevent and address the various risks we face. Any failure to comply with applicable laws, regulations and other standards could lead to fines, legal proceedings, loss of operating licenses and reputational harm, which could in turn materially adversely affect our business, financial condition or results of operations.

We carry insurance of various types, including but not limited to, property damage insurance, general liability coverage and directors' liability insurance. We may not always be able to accurately foresee all activities and situations in order to ensure that they are fully covered by the terms of our insurance policies and, as a result, our insurance may not cover such risks adequately or at all. While we seek to maintain appropriate levels of insurance, not all claims are insurable and we may experience incidents of a nature that are not covered by insurance. Any significant uninsured liability may require us to pay substantial amounts, which could materially adversely affect our business, financial condition or results of operations.

Our business and reputation may be adversely affected by the actions of third parties, including our suppliers, subcontractors and agents.

In our business, we occasionally utilize third-party partners who provide certain services, such as collection and transport services. If a partner is unable to deliver its services or a supplier is unable to deliver equipment according to the pre-agreed terms or in a timely manner, our reputation may suffer, and we may be required to purchase such goods or services from another source at a higher price. We may not be able to recover all of these costs in all circumstances, which may reduce the profit expected to be realized under such agreements or result in a loss. Moreover, if we purchase services from a third party that is not one of our ordinary providers, there is a risk that we may fail to deliver such services at the quality standards that our customers have been accustomated to, which could be detrimental to our reputation and our relationships with our customers. While we carefully monitor internal and external developments for areas of potential reputational risk, and have established governance structures to assist in evaluating such risks in our business practices and decisions, we may be affected by the fraudulent or criminal activities of third parties, including employees, suppliers, customers and subcontractors, which could materially adversely affect our business, financial condition or results of operations. Actions taken by third-party partners acting as our agents may also subject us to vicarious liability suits.

Risks related to our financial condition

Our revenue and operating results fluctuate from period to period due to the nature of our operations.

Our revenue and operating results have historically varied from period to period. A decline in general economic conditions and/or activity in the industries or markets in which we operate could result in an overall decline in our cash flows and profitability and make it more difficult for us to make payments on our indebtedness, grow our business and pursue our strategy, as described above in "*—Risks related to our industry and markets—We are vulnerable to fluctuations and deteriorations in the economic conditions in the industries and markets in which we operate, with particular exposure to such conditions in France*." We expect our results to continue to fluctuate in the future due to a number of factors, including:

- general economic conditions in the industries and markets in which we operate driving changes in private and public sector construction and infrastructure spending;
- the cyclical nature of our customers' business, particularly our construction and infrastructure customers, including seasonality in our construction customers' businesses, with construction activity generally decreasing in the winter months;
- government measures or other changes in legislation which may require us, among things, to close our operations in one or more of our countries of operation, in connection with public health or other emergencies;
- severe weather;
- the timing of our expenditures on new equipment and disposals of used equipment;
- our relatively high level of fixed costs in connection with our fleet, which causes even slight revenue declines to significantly affect cash flow and profitability;
- the efficacy and efficiency of integrating acquired businesses and new branch locations; and
- the timing of acquisitions, new branch openings and related costs.

Any of the events described above could materially adversely affect our business, financial condition, results of operations and cash flows.

We rely on access to additional capital for the operation of our business and limits on access to such capital could hinder our ability to operate our business and pursue our strategy.

We require capital for, among other things, purchasing rental equipment, opening new branches, expanding our business, completing acquisitions and refinancing existing debt. We have historically used cash generated from our operations (including the sale of used equipment), together with borrowings under our bilateral loans, to fund our capital requirements. See "*Management's discussion and analysis of financial condition and results of operations—Capital expenditures*." In the future, this cash and these borrowings may be insufficient and we may require additional financing to obtain capital for, among other things, the purposes described above. Our capital expenditures interact significantly with 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. We cannot be certain that any additional financing that we require will be available or, if available, will be available on terms that are satisfactory to us. If we are unable to obtain sufficient financing in the future, our business, financial condition, results of operations and cash flows could be materially adversely affected.

The Acquisition Adjusted Financial Information and as adjusted financial information presented in these listing particulars may not reflect our actual results of operations for the periods presented and are not indicative of our future operating performance.

In order to adjust for the changes in our business as a result of our recent acquisitions and ease comparability of certain information between periods, we present certain information in these listing particulars on a constant perimeter basis without taking into consideration the effects of any acquisitions or disposals by the Group. See "*Management's discussion and analysis of financial condition and results of operations—Factors affecting comparability of results—Constant perimeter information*." These listing particulars also contain certain unaudited adjusted financial data, such as the Acquisition Adjusted Financial Information, to reflect our results of operations for the periods presented as though the Acquired Companies had been acquired as of the beginning of the relevant period, instead of the actual date when the acquisitions occurred or were deemed to have occurred for accounting purposes, by taking into account the results of operations of the relevant Acquired Companies derived from their accounting records, without adjusting for any other effects.

The Acquisition Adjusted Financial Information has not been prepared on the same basis as the Financial Statements included elsewhere in these listing particulars, and such information is not intended to be compliant with French GAAP, IFRS or any other generally accepted accounting principles. The Acquisition Adjusted Financial Information has been derived from a variety of sources, including extracts from historical audited financial statements of the relevant Acquired Companies, management information systems of the Group related to revenue generated by the Acquired Company since its acquisition date as well as a variety of unaudited financial information from financial due diligence reports and estimates prepared by management or by the sellers. The Acquisition Adjusted Financial Information has not been prepared in accordance with the requirements of Regulation S-X of the Securities Act. No reconciliation has been provided from such information to the Group's audited or unaudited financial statements in these listing particulars. The Acquisition Adjusted Financial Information has been prepared by, and is the responsibility of, management of the Group. The independent statutory auditors of the Group have not audited, reviewed, compiled or performed any procedures with respect to the Acquisition Adjusted Financial Information for the purpose of its inclusion herein. The Acquisition Adjusted Financial Information is based on a number of assumptions that are subject to inherent uncertainties and you are strongly cautioned against placing undue reliance thereon. Furthermore, as the relevant companies in certain cases may report under different accounting principles and in different currencies, the preparation of Acquisition Adjusted Financial Information and its inclusion in these listing particulars is not intended to provide any assurance of what the results of the Group would have been had the acquisitions occurred on the dates assumed, and integration of the Acquired Companies is ongoing and subject to risks and uncertainties disclosed under "*Risk factors*."

We also present in these listing particulars certain figures for cash, debt and interest expense on an as adjusted basis to reflect the impact of the Transactions. You should not place undue reliance on the as adjusted financial information. The as adjusted financial information has not been prepared in accordance with the requirements of Regulation S-X under the Securities Act, the Prospectus Regulation, the UK Prospectus Regulation or any generally accepted accounting standards. Neither the assumptions underlying the adjustments nor the resulting adjusted financial information have been audited in accordance with any generally accepted auditing standards. See "*Presentation of financial and other information*" and "*Summary historical consolidated financial and other data*."

Our current financial statements are prepared in accordance with IFRS and are not comparable with our prior financial statements prepared in accordance with French GAAP.

Our first IFRS consolidated financial statements are for the financial year 2021, with a first-time application date as of January 1, 2020. Consolidated financial statements prior to that date were prepared under French GAAP. Under IFRS, we use different valuation and recognition criteria, as well as a different line items presentation in the primary accounting statements than under French GAAP, which impact the income statement and the balance sheet of the Group, in particular due to the following items:

- the treatment of retirement indemnities;
- the accounting for acquisition costs;
- the valuation of financial debt under IAS 32 and IFRS 9;
- the recognition of deferred tax assets and liabilities under IAS 12; and
- the application of IFRS 16.

As a result, the adoption of IFRS greatly reduces the comparability of our financial statements prepared in accordance with French GAAP and our financial statements prepared in accordance with IFRS. For a brief summary of the differences between French GAAP and IFRS, see "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Factors affecting comparability of results—Application of IFRS*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Certain differences between French GAAP and IFRS*."

The Issuer is a holding company and will be dependent on payments from its subsidiaries in order to be able to make payments on the Notes.

The Issuer is a holding company that conducts no business operations of its own and has no significant assets other than the shares it holds, directly in Kiloutou S.A.S and its receivables under the Existing Proceeds Loans and any future intercompany loans. As a result, the Issuer will be dependent upon the cash flow from its subsidiaries in the form of dividends, intercompany loans, or otherwise to make any payments due on the Notes.

In addition, the Issuer's subsidiaries may be restricted from providing funds to the Issuer under some circumstances. These circumstances could include, among others, restrictions under French, Danish or other applicable corporate law, and future contractual restrictions, including restrictions in credit facilities and other indebtedness, that may affect the ability of the Issuer's subsidiaries to pay dividends or make other payments to the Issuer. In addition, applicable tax laws may also subject such payments to taxation.

We cannot assure you that the arrangements with our subsidiaries, the funding permitted by the agreements governing existing and future indebtedness of our subsidiaries and our results of operations and cash flow generally will provide us with sufficient dividends, distributions or loans to fund payments on the Notes. In the event that we do not receive distributions or other payments from our subsidiaries, we may be unable to make required principal and interest payments on the Notes, and we do not expect to have any other sources of funds that would allow us to make payments to holders of the Notes.

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

The Sponsors and certain members of our management team are the indirect majority shareholders of the Issuer. The interests of the Sponsors and/or any other principal shareholder in the future could conflict with each other and/or the interests of the holders of the Notes, particularly if we encounter financial difficulties or are unable to pay our liabilities when due. Any principal shareholder could also have an interest in pursuing acquisitions, divestitures, financings, dividend distributions or other transactions that, in its judgment could enhance its investment, although such transactions might involve risks to the holders of the Notes. In addition, our shareholders may also invest or acquire businesses that compete with us.

A substantial amount of our assets represents goodwill, and our earnings will be reduced if our goodwill becomes impaired.

Goodwill is generated in acquisitions where the cost of an acquisition exceeds the fair value of the net tangible and identifiable intangible assets we acquire. Goodwill is subject to an impairment analysis at least annually based on a comparison of the recoverable value of the cash generating unit or group of cash generating units to which the goodwill relates and the carrying value of that cash generating unit(s), or more frequently when changes in circumstances indicate that the carrying amount may not be recoverable. As of September 30, 2023, our goodwill represented €957.0 million, or 31.3% of our total assets. We could be required to recognize expenses in our consolidated income statement caused by the impairment of goodwill, which if significantly impaired, could materially and adversely affect our results of operations.

Any future impairment of goodwill may result in material reductions of our income and equity under IFRS and have a negative effect on our business, results of operations and financial condition.

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, including the Notes.

As a general rule, pursuant to Article 39.1.1 of the French general tax code (*Code général des impôts*) (the "**French Tax Code**"), expenses incurred by a French company are deductible provided, among other conditions, that (i) they are incurred in its direct corporate interest and (ii) they correspond to actual and justified expenses. In this respect, French case law has developed the concept of "abnormal act of management" according to which the expenses incurred by a French company, in relation with transactions that are not aligned with its direct corporate interest, are not tax deductible.

Under Article 39.1.3° of the French Tax Code, the deduction of interest paid by a French company to lenders who are direct shareholders of such company but are not related parties to such company within the meaning of Article 39.12 of the French Tax Code, is subject to the conditions that (i) the share capital of the borrowing company is fully paid-in and (ii) the interest rate on the corresponding loans does not exceed a rate equal to the annual average rate of floating rate loans granted by financial establishments for a minimum term of two years (currently 4.95% for companies closing their fiscal year on September 30, 2023). By exception, Article 212, I-(a) of the French Tax Code provides that interest incurred on loans granted by a related party within the meaning of Article 39.12 of the French Tax Code is deductible up to the rate referred to in Article 39.1.3° of the French Tax Code or, if higher, up to the rate that the borrowing entity could have obtained from independent financial credit institutions in similar circumstances.

Pursuant to Article 39.12 of the French Tax Code, two entities will be regarded as related if (i) one of the entities holds directly or indirectly the majority of the other entity's share capital or actually exercises the power of decision in that entity or (ii) both entities are controlled by a same third-party enterprise under the conditions defined in (i) above.

In both cases (*i.e.*, non-deductibility under Articles 39.1.3° and 212, I-(a) of the French Tax Code), non-deductible interest might be re-characterized as deemed dividends pursuant to Articles 109 and seq. of the French Tax Code, and may thus be subject to the withholding tax set out under Article 119 *bis* 2 of the French Tax Code, at the rate of (i) 25% for payments benefiting to legal persons, or (ii)75% for payments made in non-cooperative jurisdictions (*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 mentioned in 2° of 2 bis of the same Article 238-0 A (subject in each case to the more favorable provisions of any applicable double tax treaty).

Furthermore, Articles 205 B and seq. of the French Tax Code implementing the Anti-Tax Avoidance Directive II (Council Directive (EU) 2017/952 dated May 29, 2017) (the "**ATAD II**") provide limitations on various payments or charges, including on interest deductions, in the event of (i) a deduction of a payment or charge at the level of a paying entity without a corresponding inclusion of such payment or income 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"). Unlike the previous domestic anti-hybrid rules, payments made to tax-exempt or low-taxed beneficiaries are not within the scope of these rules as they only target differences in qualification or attribution of the right to tax an element of income. Such limitations only apply to transactions taking place between "associated enterprises," except for the so-called "structured arrangements" (*i.e.*, an arrangement that includes a pricing for 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.

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 but the jurisdiction or jurisdictions in which its "associated enterprises" 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 a hybrid entity of a reverse hybrid mismatch is incorporated or established in France, its income is, as the case may be, either subject to French corporate income tax or taxable pursuant to the conditions provided by Article 8 of the French Tax Code, to the extent that it is not taxed in another State.

Moreover, pursuant to 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 highest of (i) €3 million (to be adjusted on a *pro rata temporis* basis for fiscal years which do not last 12 months) and (ii) 30% of the EBITDA of the entity, subject to some adjustments, 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) (the "**Taxable EBITDA base**") generated by such entity (the "**30% Limitation**"). Such limitation applies to both related-party and third-party financings regardless of the purpose of these financings, subject to certain limited exceptions.

Furthermore, for entities being part of a group that files eligible consolidated financial statements, a safeguard clause has been implemented in order to partially exempt companies that are able to demonstrate that the ratio of their equity over their total assets is equal to or higher than the same ratio computed at the level of the accounting consolidated group to which they belong. In this specific case, net financial expenses exceeding the 30% Limitation are deductible up to 75% of their amount. This safeguard clause does not apply to entities which are subject to the thin-capitalization rules described in the paragraph below.

In this respect and in accordance with Article 212 *bis*, VII of the French Tax Code, where the amount of the related party debt of a company exceeds a ratio equal to 1.5x the company's equity, the deduction of net financial expenses borne by such entity will be deductible for a portion of their amount up to the highest of (i) 30% of its Taxable EBITDA Base 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 within the meaning of Article 39.12 of the French Tax Code increased by 1.5x 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 the sums borrowed by or made available to the company during said year. The balance of net financial expenses will be deductible for a portion of their amount up to the highest of (i) 10% of its Taxable EBITDA Base or (ii) €1 million multiplied by a ratio equal to (A) the average amount of sums borrowed from or made available by related parties within the meaning of Article 39.12 of the French Tax Code exceeding 1.5x the company's equity (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. Nevertheless, the interest deductibility restriction provided by these thin-capitalization rules is not applicable if the borrowing company is able to demonstrate that the overall debt-to-equity ratio of the Group (as determined under accounting consolidation rules) to which it belongs is higher than its own debt-to-equity ratio.

Financial expenses that are disallowed by virtue of the application of the 30% Limitation can be carried forward indefinitely and deducted in the future under the same conditions. On the other hand, the portion disallowed as a result of the application of the €1 million threshold or 10% limitation (in case of application of thin-capitalization rules) will only be eligible for carry forward for one third of its amount. Any unused interest deduction capacity for a given fiscal year might also be used over the following five fiscal years, but only against financial expenses incurred in those fiscal years, it being noted that this measure is not applicable to thinly capitalized entities.

Specific rules notably apply to companies that belong to French tax consolidated groups within the meaning of article 223 A of the French Tax Code, in which case the relevant net interest expenses and Taxable EBITDA Base, as well as the thin-capitalization ratio, are computed at the level of the tax consolidated group.

Pursuant to the *Bulletin Officiel des Finances Publiques-Impôts* BOI-IS-BASE-35-40-10-20, § 20, dated 13/05/2020 and BOI-IS-BASE-35-40-20, § 240, dated 13/05/2020, the portion of interest that is not deductible by virtue of (i) Article 212 *bis*, I of the French Tax Code under the 30% 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, Article 223 B § 6 of the French Tax Code imposes specific restrictions on the deductibility of net interest expenses incurred by a French company which belongs to a French tax consolidated group if such company has acquired from persons or entities which, directly or indirectly, control such company, legally or *de facto*, shares of another company which enters into such French tax consolidated group or is merged into such company or into another company belonging to the same French tax consolidated group.

The above-mentioned tax rules, as well as generally applicable tax principles, may limit the Group's ability to deduct interest accrued on the Group's indebtedness incurred in France and, as a consequence, may increase the Group's tax burden, which could adversely affect the Group's business, financial condition or results of operations and reduce the cash flow available to service the Group's indebtedness.

Risks related to laws and regulations

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 legal proceedings, disputes, investigations and other claims in the normal course of our business. Responding to such matters can be expensive and time-consuming, can divert management's attention and be disruptive to normal business operations. Moreover, the results of such proceedings are difficult to predict and unfavorable outcomes in these matters could result in substantial monetary liability, require us to change our business practices and otherwise adversely affect our reputation, business, financial condition or results of operations.

In particular, the nature of the products we rent and the services we offer exposes us to claims for personal injury, death or property damage resulting from, among other things, the use of the equipment we rent and the actions of our delivery and service personnel, as well for other employee-related matters. Actual or alleged accidents involving our equipment and services and quality, safety and performance defects in the products we rent may have adverse financial and reputational

consequences and negatively affect demand for our services. Such accidents and defects can cause severe injury to persons and substantial damage to property, causing material damage to our brand and reputation, even we are not actually responsible for causing such injury or damage. Additionally, we could be subject to potential litigation or investigations 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. See "*Business—Legal proceedings*."

We carry comprehensive insurance that we believe is sufficient to cover existing and future ordinary course claims. However, we may be exposed to large or multiple claims that 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 or as the result of past claims. Our existing or future claims may exceed our insurance coverage, 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 materially adversely affect our business, financial condition, results of operations and cash flows.

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

We are exposed to a wide variety of EU, national and local regulations. See "*—Risks related to our operations—Our operations expose us to risks inherent in operating a business across multiple jurisdictions*." These laws and requirements address multiple aspects of our operations including, among other things, workplace health and safety, product safety, consumer rights and labor relations, and such laws and regulations differ from jurisdiction to jurisdiction. 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 to comply with them, can increase our costs, affect our reputation, limit our business, require significant management attention and materially adversely affect our business, financial condition, results of operations and cash flows.

We are subject to laws and regulations governing labor, compliance with which entails cost and risk and labor disputes could disrupt our operations and lead to higher labor costs.

Labor laws applicable to our business in certain countries, particularly France, are extensive and compliance therewith entails significant cost and management attention. In the countries in which we operate, labor laws generally provide for strong protection of employees' interests, which may be at odds with the interests of our business. In addition, many of our employees are members of unions or, based on applicable regulations, represented by works 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 connection with 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.

Although we believe our relations with employees are good, our operations may be materially affected by strikes, work-stoppages, work-slowdowns or other labor-related developments or labor disputes in the future, which could disrupt our operations and adversely affect our business, financial condition and results of operations. Certain of our employees 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. Likewise, many of our suppliers and customers have unionized work forces. Strikes, work-stoppages, work-slowdowns or other labor actions experienced by these suppliers or customers could also materially adversely affect our business, financial condition, results of operations and cash flows.

We are subject to stringent environmental and safety requirements, which can be costly to comply with and may subject us to liability.

We store equipment and machinery as well as use and temporarily store fuels and certain chemicals in jurisdictions in which we operate. In addition, we lease or own a variety of properties which may be subject to stringent environmental requirements. In particular, French Law n°2019-1428 of December 24, 2019 "*Loi d'orientation des mobilités*" ("**LOM**"), on the electric transition of vehicles, and French Decree n°2019-771 "*Décret tertiaire*" on the reduction of final energy consumption in buildings for tertiary use, may materially impact our business. We also lease or own properties on which industrial activities may have been conducted in the past and there may be contamination for which we may become liable for clean-up. As such, we may 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

aboveground storage tanks located at certain of our locations. In connection with these activities, we may contaminate soil, air, water and buildings or may cause spills, emissions, leakages or other accidents. We are subject to a variety of environmental regulatory regimes that impose obligations and liability for the cleanup of properties affected by hazardous substance spills or releases. Such liabilities may 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 relevant incident. 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. In addition, we may be liable for the loss of property value caused by such an incident and there can be no assurance that prior site assessments or investigations have identified all potential instances of contamination or the full extent thereof. Future events, including changes in existing laws or policies or their enforcement, or the discovery of currently unknown or undetected incidents, may give rise to additional remediation liabilities, which may be material. Further, we may also become subject to proceedings where a third party sues us due to a breach of environmental legislation and be ordered to pay damages or be subject to other sanctions. We have made and will continue to make capital and other expenditures in order to comply with these environmental and safety compliance and/or remediation laws and regulations. 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. If any of the risks described above materialize, they may materially adversely affect our business, financial condition, results of operations and cash flows.

We are exposed to the risks in connection with violations of anti-corruption laws, sanctions or other similar regulations.

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 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, or may decide to enter, countries that have legal and regulatory systems that are different than the one in France and in which corruption may occur more frequently and to a greater extent than in France. 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 or third parties.

Further, due to the international 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 illegal or unethical 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 customers 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 import/export privileges, injunctions, asset seizures, disbarment from government contracts, termination of existing contracts, revocations or restrictions of licenses, criminal fines or imprisonment. In addition, such violations could also adversely 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 and could cause significant reputational harm.

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

We are subject to complex and evolving tax legislation in the countries in which we operate. 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, and ratified by France on September 26, 2018, 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 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 ATAD II, which, inter alia, extends the scope of the ATAD to hybrid mismatches involving third countries and provides that its provisions shall apply (subject to certain exceptions), as from January 1, 2020. The ATAD provides, in particular, for a general interest limitation rule pursuant to which the tax deduction of net financial expenses is limited to 30% of the taxpayer's tax adjusted earnings before interest, tax, depreciation and amortization (EBITDA) or to a maximum amount of €3 million per year, whichever is higher (subject to several exceptions). Such rules apply since January 1, 2019, following their transposition into French tax law by the French Finance Law for 2019 (Law 2018-1317 of December 28, 2018) (the "**French Finance Law for 2019**"). The French Finance Law for 2020 (Law 2019-1479 of December 28, 2019) also implemented under French tax law the provisions of the ATAD II and thus introduced new anti-hybrid rules, as set forth in Article 205 B and seq. of the French Tax Code. See "*—Risks related to our financial condition—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, including the Notes"* for more details on this rule.

In addition, the French Finance Law for 2019 introduced under French tax law, with effect as from January 1, 2019, the anti-abuse provision provided 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, which is set forth by Article 205 A of the French Tax Code, the French tax authorities may ignore, for the determination of corporate income tax, 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 condition relating to the absence of genuineness of the arrangement or series of arrangements would be met if such arrangement or series of arrangements were established for invalid commercial reasons.

The European Commission also published a corporate reform package proposal on October 25, 2016, including three new proposals that aim at (i) relaunching the Common Consolidated Corporate Tax Base ("**CCCTB**") which is a single set of rules to compute companies' taxable profits in the European Union, (ii) avoiding loopholes associated with profit-shifting for tax between European Union countries and non-European Union countries, and (iii) providing new dispute resolution rules to relieve problems with double taxation for businesses.

On May 18, 2021 the European Commission communicated a new plan called Business in Europe: Framework for Income Taxation ("**Business in Europe: Framework for Income Taxation**" or "**BEFIT**") which aims to replace the CCCTB in the European tax policy proposals. BEFIT is based mainly on the framework of the OECD's international tax reform project, and would involve the consolidation of 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, to be taxed at national corporate income tax rates. On September 12, 2023, the European Commission adopted the BEFIT Directive proposal. As such, Member States must adopt and publish the laws, regulations and administrative provisions necessary to comply with this Directive by January 1, 2028.

Alongside BEFIT, the European Commission also announced, among other things, that it would (i) table a legislative proposal setting out union rules to neutralize the misuse of shell entities for tax purposes, (ii) adopt a recommendation on the domestic treatment of losses and (iii) make a legislative proposal creating a Debt Equity Bias Reduction Allowance ("**DEBRA**"), noting however that in December 2022, the Council of the European Union stated that negotiations relating to DEBRA would be temporarily suspended and reassessed at a later stage in the broader context of other upcoming reforms in the area of corporate taxation. These new regulations could impact our tax position in the future.

On October 8, 2021, members of the OECD/G20 Inclusive Framework on BEPS ("**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.

On December 22, 2021, the European Commission also released a Directive proposal to neutralize the misuse of shell entities (following the announcement of the European Commission as mentioned above) for improper tax purposes within the European Union which has been adopted on January 17, 2023, by the European Parliament and which must now be adopted unanimously by the Council of the European Union, initially with a view to transposition by June 30, 2023 for an entry into force as of January 1, 2024. However, as of the date of the Offering Memorandum, the schedule has not been respected, because this Directive has not yet been transposed, and the exact timing for the vote and the Directive's implementation by Member States remains unclear.

On December 15, 2022, the Council of the European Union unanimously adopted the Directive implementing Pillar Two. The member states must transpose the Directive into their national laws by December 31, 2023 for the rules to come be applicable for fiscal years starting on or after December 31, 2023 (with the exception of the UTPR, which is to be applicable for fiscal years starting on or after December 31, 2024). On September 27, 2023, the French National Assembly published a finance bill for 2024, which included provisions on the transposition of Council Directive (EU) 2022/2523 for the implementation of the Pillar Two global minimum tax.

On October 11, 2023, the OECD/G20 Inclusive Framework published the text of the Multilateral Convention to Implement Amount A of Pillar One (the "**MLC**"). Amount A of Pillar One co-ordinates a reallocation of taxing rights to market jurisdictions with respect to a share of the profits of the largest and most profitable multinational enterprises operating in their markets, regardless of their physical presence. It also ensures the repeal and prevents the proliferation of digital services taxes and relevant similar measures, secures mechanisms to avoid double taxation, and enhances stability and certainty in the international tax system.

On September 12, 2023, the European Commission published a proposal for a Council Directive on transfer pricing (which is part of the BEFIT package) aiming at incorporating the arm's length principle into European Union law, harmonizing the key transfer pricing rules, clarifying the role and status of the OECD Transfer Pricing Guidelines and creating the possibility to establish, within the European Union common binding rules on specific transfer pricing subjects. Should this Directive be adopted, Member States are to apply those provisions from January 1, 2026.

Due to the international scope of our business, we are subject to the tax law and regulations of several jurisdictions, in particular with regard to transfer pricing rules that apply in certain jurisdictions. Pursuant to such rules, related enterprises must conduct any inter-company transactions on an arm's-length basis and must provide sufficient documentation thereof, subject to the applicable rules of the relevant jurisdiction.

We often rely on generally available interpretations of tax laws and regulations in the jurisdictions in which we operate. We cannot be certain that the relevant tax authorities are in agreement with our interpretation of these laws and remain subject to regular scrutiny by the relevant tax authorities in each jurisdiction where we operate. For instance, in January 2024, we were informed that the French general tax authority (*Direction Générale des Finances Publiques*) and the French social tax authority (*Union de Recouvrement des cotisations de Sécurité Sociale et d'Allocations Familiales - URSSAF*) would be reviewing certain matters related to our tax positions. 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 rental offerings and services to track and collect such taxes, which could increase our costs of operations and have a material adverse effect on our business, financial condition and results of operations.

The adoption by the Council of the European Union of an EU list of non-cooperative jurisdiction for tax purposes and the use of this list in the jurisdictions where we operate may impact our financial results.

The adoption by the Council of the European Union of an EU list of non-cooperative jurisdiction for tax purposes and the use of this list in the jurisdictions where we operate may impact our financial results.

The Council of the European Union adopted on December 5, 2017 its conclusions on the EU list of non-cooperative jurisdictions for tax purposes (the "**Council Conclusions**") which is composed of two sub-lists (respectively, the "**Black List**" and the "**Grey List**" together referred to as the "**EU List**"). The EU List was established to improve tax good governance globally, and to ensure that the EU's international partners respect the same standards as EU Member States do. The Black List, which shall be updated at least once a year is currently (according to the list as adopted by the Council of the European Union on October 17, 2023) composed of sixteen jurisdictions (American Samoa, Anguilla, Antigua and Barbuda, the Bahamas, Belize, Fiji, Guam, Palau, Panama, Russia, Samoa, Seychelles, Trinidad and Tobago, the United States Virgin Islands, Vanuatu and Turks and Caicos Islands). Furthermore, the Council published a Grey List of screened jurisdictions that committed to introduce changes in their tax legislation in order to comply with the European Union screening criteria. Though there is no applicable sanction yet, EU Member States are encouraged by the Council

Conclusions to agree on coordinated sanctions to apply at national level against these listed jurisdictions, such as increased monitoring and audits, withholding taxes, special documentation requirements and anti-abuse provisions. A French law that aims at fighting tax fraud was published on October 24, 2018 (Law 2018-898 of October 23, 2018) and expands under certain conditions the French tax regime regarding the Non-Cooperative States as defined under Article 238-0 A of the French Tax Code to certain States and jurisdictions included into the Black List. As a result, interest paid or accrued to persons domiciled or established in certain States and jurisdictions included into the Black List or paid on an account opened in a financial institution located in such States and jurisdictions may be subject to withholding tax in France and not be deductible for purposes of the computation of the debtor's corporate income tax liability. These provisions apply to such States and jurisdictions as from the first day of the third month following the publication of the order (*arrêté*) including such States and jurisdictions on the list of Non-Cooperative States. The most recent list published by the French government on February 5, 2023 includes American Samoa, Anguilla, the Bahamas, the British Virgin Islands, Fiji, Guam, Palau, Panama, Samoa, Seychelles, Trinidad and Tobago, the United States Virgin Islands, Vanuatu and Turks and Caicos Islands.

French tax legislation may restrict our ability to use French tax loss carry-forwards.

We may record deferred tax assets on our balance sheet, reflecting future tax savings resulting from discrepancies between the tax and accounting valuation of the assets and liabilities or in respect of tax loss carry-forwards from our entities. The actual realization of these assets in future years depends on tax laws and regulations, the outcome of potential tax audits and the future results of the relevant entities. In particular, pursuant to Article 209, I, paragraph 3 of the French Tax Code, the fraction of French tax loss carry-forwards that may be used to offset the taxable profit with respect to a given fiscal year is limited to €1.0 million *plus* 50% of the portion of taxable profit exceeding €1.0 million. Similar rules apply to tax losses generated by French tax consolidated groups.

Any reduction in our ability to use deferred tax assets in the future due to changes in laws and regulations, potential tax reassessment, or lower than expected results could have a material adverse impact on our business, financial condition or results of operations.

Risks related to our financing arrangements and the Notes

Our significant leverage and debt service obligations could materially adversely affect our business, results of operations, financial condition and prospects and may make it difficult to operate our business.

We currently are, and after the issuance of the Notes, will continue to be highly leveraged. As of September 30, 2023, after giving effect to the Transactions, we would have had as adjusted total third-party financial debt of €1,826.7 million, of which €461.9 million would have been represented by the Notes and €385.5 million would have been obligations under finance leases. After giving effect to the Transactions, we will also have €164.0 million available for drawing under the Revolving Credit Facility. See "*Capitalization.*"

Our significant leverage could have important consequences for our business and operations, including, but not limited to:

- making it more difficult for us to satisfy our obligations with respect to the Notes and our other debt and liabilities;
- requiring us to dedicate a substantial portion of our cash flow from operations to payments on our debt, thereby reducing the availability of our cash flow to fund internal growth through working capital and capital expenditures and for other general corporate purposes;
- increasing our vulnerability to a downturn in our business or general economic or industry conditions;
- placing us at a competitive disadvantage relative to competitors that have lower leverage or greater financial resources than we have;
- limiting our flexibility in planning for or reacting to competition or changes in our business and industry;
- negatively impacting credit terms with our creditors;
- restricting us from pursuing strategic acquisitions or exploiting certain business opportunities; and
- limiting, among other things, our and our subsidiaries' ability to borrow additional funds or raise equity capital in the future and increasing the costs of such additional financings.

Any of these or other consequences or events could have a material adverse effect on our ability to satisfy our debt obligations, including the Notes. Our ability to make payments on and refinance our indebtedness and to fund working capital expenditures and other expenses will depend on our future operating performance and ability to generate cash from operations.

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

Despite our significant leverage, we may incur substantial additional debt in the future. Although the Revolving Credit Facility Agreement, the 2026 Indenture, the 2027 Indenture, the PGE Loan, the Senior Term Loan Facility Agreement, the Stimulus Bonds and the Indenture contain or will contain restrictions on the incurrence of additional indebtedness, these restrictions are subject to a number of significant qualifications and exceptions, and under certain circumstances the amount of indebtedness that could be incurred in compliance with these restrictions could be substantial. Furthermore, the Revolving Credit Facility Agreement, the 2026 Indenture, the 2027 Indenture, the PGE Loan, the Senior Term Loan Facility Agreement, the Stimulus Bonds and the Indenture will not prevent us from incurring liabilities that do not constitute "Indebtedness" as defined thereunder.

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

Our businesses may not generate sufficient cash flows from operations to make payments on our debt obligations, and additional debt and equity financing may not be available to us in an amount sufficient to enable us to pay our debts when due, or to refinance such debts, including the Notes. Our ability to generate cash from operations is subject, in large part, to general economic, competitive, legislative and regulatory factors and other factors that are beyond our control. We may not be able to generate sufficient cash flow from operations or obtain enough capital to service our debt or fund our planned capital expenditure. If our future cash flows from operations and other capital resources are insufficient to pay obligations as they mature or to fund our liquidity needs, we may be forced to:

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

We can provide no assurance that we would be able to accomplish any of these alternatives on a timely basis or on satisfactory terms, if at all.

Our ability to restructure or refinance our debt will depend in part on our financial condition at such time. Any refinancing of our debt could be at higher interest rates than our current debt and may require us to comply with more onerous covenants, which could further restrict our business operations. The terms of existing or future debt instruments and the Indenture may restrict us from adopting some of these alternatives. Furthermore, we may be unable to find alternative financing, and even if we could obtain alternative financing, it might not be on terms that are favorable or acceptable to us. If we are not able to refinance any of our debt, obtain additional financing or sell assets on commercially reasonable terms or at all, we may not be able to satisfy our debt obligations, including under the Notes. In such an event, borrowings under other debt agreements or instruments that contain cross-default or cross-acceleration provisions, including the Revolving Credit Facility Agreement, the 2026 Indenture, the 2027 Indenture, the PGE Loan, the Senior Term Loan Facility Agreement, the Stimulus Bonds and the Indenture, may become payable on demand, and we may not have sufficient funds to repay all our debts, including the Notes.

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

We are subject to covenants which limit our operating and financial flexibility and, if we default under our debt covenants, we may not be able to meet our payment obligations.

The Indenture, the 2026 Indenture, the 2027 Indenture, the Revolving Credit Facility Agreement, the PGE Loan and Senior Term Loan Facility Agreement and the Stimulus Bonds contain or will contain covenants that impose significant restrictions on the way we can operate, including restrictions on our ability to:

- incur or guarantee additional debt and issue preferred stock;
- create or permit to exist certain liens;
- make certain payments, including dividends or other distributions, with respect to shares of the Issuer;

- prepay or redeem subordinated debt or equity;
- make certain investments or acquisitions, including participating in joint ventures;
- engage in certain transactions with affiliates;
- create unrestricted subsidiaries;
- create encumbrances or restrictions on the payment of dividends or other distributions, loans or advances to, and on the transfer of, assets to the Issuer or any restricted subsidiary;
- sell assets, consolidate or merge with or into other companies;
- sell or transfer all or substantially all our assets or those of our subsidiaries on a consolidated basis;
- change the holding company status of the Issuer;
- impair security interests for the benefit of the holders of the relevant indebtedness; and
- issue or sell share capital of certain subsidiaries.

All of these limitations will be subject to significant exceptions and qualifications. See "*Description of the Notes—Certain covenants.*" These covenants could limit our ability to finance future operations and capital needs and our ability to pursue acquisitions and other business activities that may be in our interest. 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, in addition to being in default under the Indenture, we could be in default under the terms of the Revolving Credit Facility Agreement, the 2026 Indenture, the 2027 Indenture, the PGE Loan, the Senior Term Loan Facility Agreement and the Stimulus Bonds, and the relevant creditors could elect to declare the debt, together with accrued and unpaid interest and other fees, if any, immediately due and payable and proceed against any collateral securing that debt. If the debt under the Revolving Credit Facility Agreement, the PGE Loan, the 2026 Notes, the 2027 Notes, the Notes, the Senior Term Loan Facility Agreement, the Stimulus Bonds 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.

The Revolving Credit Facility Agreement also requires us to comply, while certain amounts under the Revolving Credit Facility Agreement remain outstanding, with a certain total net leverage ratio. The ability to meet this test could be affected by a deterioration in our operating results, as well as by events beyond our control, including increases in prices charged by our suppliers and unfavorable economic conditions, and there can be no assurances that this test will be met. In addition, the Revolving Credit Facility Agreement includes certain affirmative covenants, as well as negative covenants similar to those under the Indenture. A breach of any of those covenants or restrictions could result in an event of default under the Revolving Credit Facility Agreement. If our creditors, including the creditors under the Revolving Credit Facility Agreement, accelerate the payment of amounts due under our various debt obligations, there can be no assurance that our assets would be sufficient to repay in full those amounts, to satisfy all other liabilities which would be due and payable and to make payments to enable us to repay the Notes, in full or in part. In addition, if we are unable to repay those amounts, our creditors could proceed against any collateral granted to them to secure repayment of those amounts. See "*Description of certain financing arrangements—Revolving Credit Facility Agreement*."

Certain of our indebtedness bears interest at floating rates that could rise significantly, increasing our costs and reducing our cash flow.

After giving effect to the Transactions, a significant portion of our indebtedness, including the Notes, any 2026 Floating Rate Notes remaining outstanding, any 2027 Notes remaining outstanding and any Exchange Notes issued, following consummation of the Exchange Offer, the PGE Loan, the Senior Term Loan Facility, a portion of the Grupo Vendap Facility and drawdowns under the Revolving Credit Facility, will bear interest at a variable rate, and we will be exposed to the risk of fluctuations in interest rates. The Notes, any 2026 Floating Rate Notes remaining outstanding, any 2027 Notes remaining outstanding, any Exchange Notes, the PGE Loan, the Senior Term Loan Facility, a portion of the Grupo Vendap Facility and the Revolving Credit Facility will each bear interest at a variable rate based on the Euro Interbank Offered Rate (EURIBOR) and the London Interbank Offered Rate (LIBOR), as applicable, plus an applicable margin. These interest rates could rise significantly in the future, increasing our interest expense associated with these obligations, reducing cash flow available for capital expenditures and hindering our ability to make payments on the Notes. Neither the Indenture, the 2026 Indenture, the 2027 Indenture, the PGE Loan, the Senior Term Loan Facility, the Grupo Vendap Facility or the Revolving Credit Facility Agreement contain a covenant requiring us to hedge all or any portion of our floating rate debt.

Although we expect to maintain certain hedging arrangements designed to fix a portion of these rates, there can be no assurance that hedging will continue to be available on commercially reasonable terms. Hedging itself carries certain risks, including credit risks in relation to such hedging counterparties and the risk that we may need to pay a significant amount (including costs) to terminate any hedging arrangements. Further, there may be a mismatch between the successor rates

applied in respect of our floating rate debt and the successor rates applied in respect of hedging arrangements thereon, which may render such hedging arrangements ineffective in managing the Group's interest rate risks. To the extent interest rates were to increase significantly, our interest expense would correspondingly increase, thus reducing cash flow.

In addition to the above, following allegations of manipulation of LIBOR, regulators and law enforcement agencies from a number of governments and the European Union are conducting investigations into whether the banks that contribute data in connection with the calculation of daily EURIBOR or the calculation of LIBOR may have been manipulating or attempting to manipulate EURIBOR and LIBOR. In addition, LIBOR, EURIBOR and other interest rates or other types of rates and indices which are deemed to be "benchmarks" are the subject of ongoing national and international regulatory reform, including the implementation of the IOSCO Principles for Financial Market Benchmarks (July 2013) and the new European regulation on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds, which entered into force on June 30, 2016. Following the implementation of any such reforms, the manner of administration of benchmarks may change, with the result that they may perform differently than in the past, or benchmarks could be eliminated entirely, or there could be other consequences which cannot be predicted. For example, on March 5, 2021, the UK Financial Conduct Authority ("**FCA**") announced that certain LIBOR settings will permanently cease immediately after December 31, 2021 or after June 30, 2023, as applicable (the "**FCA Announcement**"). The FCA Announcement indicates that the FCA will no longer require any panel banks to continue to submit LIBOR beyond the date from which the panel banks have notified their departure, or to require the ICE Benchmark Association to continue to publish LIBOR on the basis of panel banks submissions beyond such dates. It follows that all LIBOR settings will either cease to be provided by any administrator or no longer be representative immediately after the dates set out in the FCA Announcement. The International Swaps and Derivatives Association has further announced on March 5, 2021 that the FCA Announcement constitutes an index cessation event under the IBOR Fallbacks Supplement and the ISDA 2020 IBOR Fallbacks Protocol for all LIBOR settings. The elimination of the LIBOR benchmark or any other benchmark, changes in the manner of administration of any benchmark, or actions by regulators or law enforcement agencies could result in changes to the manner in which a benchmark is determined, which could require an adjustment to the terms and conditions, or result in other consequences, in respect of any debt linked to such benchmark (including, but not limited to, the Notes, the 2026 Notes, the 2027 Notes, the Revolving Credit Facility and the Senior Term Loan Facility having interest rates that are linked to LIBOR, EURIBOR or €STR, as applicable). Any such change, as well as manipulative practices or the cessation thereof, may result in a sudden or prolonged increase in reported EURIBOR or LIBOR, which could have an adverse impact on our ability to service debt that bears interest at floating rates of interest. The elimination of the LIBOR benchmark or any other benchmark, changes in the manner of administration of any benchmark, or actions by regulators or law enforcement agencies could result in changes to the manner in which a benchmark is determined, which could require an adjustment to the terms and conditions, or result in other consequences, in respect of any debt linked to such benchmark (including but not limited to the Notes, the 2026 Floating Rate Notes, the 2027 Notes, the Revolving Credit Facility and the Senior Term Loan Facility).

Any such change, as well as manipulative practices or the cessation thereof, may result in a sudden or prolonged increase in reported EURIBOR or LIBOR, which could have an adverse impact on our ability to service debt that bears interest at floating rates of interest. Various interest rate benchmarks (including LIBOR) are the subject of recent regulatory guidance and proposals for reform. Some reforms are already effective while others are still to be implemented, including the EU Benchmark Regulation (Regulation (EU) 2016/1011, as amended). In addition, the FCA Announcement indicates that all LIBOR settings will either cease to be provided by any administrator or no longer be representative immediately after December 31, 2021 or June 30, 2023, as applicable. On November 29, 2017, the Bank of England and the FCA announced that the market Working Group on Sterling Risk-Free Rates would have an extended mandate to catalyze a broad transition to the Sterling Over Night Index Average rate ("**SONIA**") across sterling bond, loan and derivatives markets so that SONIA is established as the primary sterling interest rate benchmark by the end of 2021. The Bank of England and FCA have stated that a key near-term priority for the Working Group will be to make recommendations relating to the potential development of term SONIA reference rates. These reforms and other pressures may cause such benchmarks to disappear entirely, to perform differently than in the past (as a result of a change in methodology or otherwise), create disincentives for market participants to continue to administer or participate in certain benchmarks or have other consequences which cannot be predicted. Based on the foregoing, investors should in particular be aware that (i) any of the reforms or pressures described above or any other changes to a relevant interest rate benchmark (including LIBOR) could affect the level of the published rate, including to cause it to be lower and/or more volatile than it would otherwise be and (ii) from the cessation date of LIBOR, the rate of interest applicable to our sources of funding may be determined for a period by applicable fall-back provisions, although such provisions, often being dependent in part upon the provision by reference banks of offered quotations for the LIBOR rate, may not operate as intended (depending on market circumstances and the availability of rates information at the relevant time) and may in certain circumstances result in the effective application of a fixed rate based on the rate which applied in the previous period when LIBOR was available.

If the Issuer determines that: (i) there has been a material disruption to EURIBOR, (ii) EURIBOR is not available for use temporarily, indefinitely or permanently, (iii) there are restrictions or prohibitions on the use of EURIBOR, (iv) an alternative rate has replaced EURIBOR in customary market practice in international capital markets applicable generally to floating rate notes or (v) it has become unlawful for the Calculation Agent, the Issuer or a third party agent of the Issuer

to calculate any payments due to holders using EURIBOR, the Indenture provides a mechanism whereby the Issuer could cause an independent financial advisor to determine an appropriate successor rate (or, if not reasonably practicable to appoint such independent financial advisor, the Issuer would determine such successor benchmark rate), and make certain adjustments to such rate, including applying a spread thereon to make such successor rate comparable to EURIBOR, which upon certification by the Issuer to each of the Trustee, the Calculation Agent and the Paying Agent will be used to calculate the interest rate in relation to the Notes without any further action or consent by the noteholders or the Trustee. This means that interest on the Notes would be determined on the basis of a benchmark rate, together with adjustments, that was not contemplated at the time you purchased the Notes issued on the Issue Date. In certain circumstances, the ultimate procedure for the purposes of calculating interest for a particular interest period may result in the rate of interest for the last preceding interest period being used, effectively resulting in the application of a fixed rate of interest. See "*Description of the Notes—Interest*."

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

Not all of our subsidiaries guarantee the Notes. Such non-Guarantor subsidiaries do not have any obligations to pay amounts due under the Notes or to make funds available for that purpose. Generally, holders of indebtedness of, and trade creditors of, non-Guarantor subsidiaries, including lenders under certain finance leases, are entitled to payments of their claims from the assets of such subsidiaries before these assets are made available for distribution to the Issuer or the Guarantors, as a direct or indirect shareholder of such subsidiaries. Accordingly, in the event that any non-Guarantor subsidiary becomes insolvent, is liquidated, reorganized or dissolved or is otherwise wound up other than as part of a solvent transaction:

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

As such, the Notes and the Notes Guarantees thereof are structurally subordinated to the creditors (including trade creditors) and any preferred stockholders of our non-Guarantor subsidiaries.

As of September 30, 2023, the Issuer's non-Guarantor subsidiaries would have had as adjusted total third-party financial debt of €241.9 million (of which, 91% are leases). Furthermore, the Indenture does not prohibit us (subject to certain limitations) from incurring debt at the level of non-Guarantors in the future and such indebtedness would rank structurally senior to the Notes and the Notes Guarantees.

In addition, the consolidated financial statements included in these listing particulars refer to the Group and therefore contain information on both Guarantors and non-Guarantors. The consolidated financial statements may be of limited use in assessing the financial position of the Issuer and the Guarantors separate from the non-Guarantors.

The Notes will be effectively subordinated to our finance leases to the extent of the value of the assets securing such obligations.

The Notes are effectively subordinated to amounts outstanding under our finance leases to the extent of the value of the assets securing such obligations. Our finance leases are secured by liens in respect of the equipment and vehicles that have been financed thereby. In the event of any foreclosure, dissolution, winding up, liquidation, reorganization, administration or other bankruptcy or insolvency proceeding of the relevant non-Guarantor subsidiary (including GSV) with the finance lease obligation, such creditors will have prior claims to the assets thereunder to the extent of the value of such related assets, and therefore the value of thereof will not be available for distribution in connection with the order of payment under the bankruptcy estate of the relevant company, including in respect of the Issuer or Guarantors as equity holder. See also "*—The Notes will be secured only to the extent of the value of the assets that have been granted as security for the Notes*."

Our Revolving Credit Facility matures on May 12, 2026. Though the Issuer has obtained consent from the lenders thereof to extend the maturity to no later than June 12, 2028, this extension is subject to the satisfaction of certain conditions.

Lenders with Revolving Credit Facility commitments in an aggregate amount of €176.0 million have granted the Issuer an option to extend the maturity of their Revolving Facility commitments to a date no later than June 12, 2028. The condition precedent to the extension of the Revolving Credit Facility provides, among other things, that the 2026 Notes and the 2027 Notes are reduced to an aggregate principal amount not exceeding €50.0 million and that the extended maturity date of the Revolving Credit Facility falls no earlier than six months prior to the maturity of any outstanding 2026 Notes and any indebtedness designated as Pari Passu Debt Liabilities under the Intercreditor Agreement. If, at any time after the extension option is exercised, any new indebtedness is designated as Pari Passu Debt Liabilities under the Intercreditor Agreement, the Revolving Credit Facility includes a springing maturity mechanism to automatically reduce the maturity of the

Revolving Credit Facility if required for the maturity date of the Revolving Facility to fall no earlier than six months prior to the maturity of any outstanding 2026 Notes and any indebtedness designated as Pari Passu Debt Liabilities under the Intercreditor Agreement (in each case, other than in relation to an aggregate amount of indebtedness thereunder not exceeding €50.0 million). To the extent we are unable to satisfy such condition, and if we do not otherwise generate sufficient cash to service our indebtedness and support our working capital, including due to factors outside our control, we may be forced to take other actions to finance our business, which if not successful, may negatively affect our liquidity, financial condition and/or our ability to repay our indebtedness when due. See "*Description of certain financing arrangements—Revolving Credit Facility Agreement*."

We may not have the ability to raise the funds necessary to finance an offer to repurchase the Notes upon the occurrence of certain events constituting a Change of Control as required by the Indenture, and the change of control provision contained in the Indenture may not necessarily afford you protection in the event of certain important corporate events.

Upon the occurrence of certain events constituting a "change of control," the Issuer will be required to offer to repurchase all outstanding Notes at a purchase price in cash equal to 101% of the principal amount thereof on the date of purchase plus accrued and unpaid interest and additional amounts, if any, to the date of purchase. If a change of control were to occur, there can be no assurances that we would have sufficient funds available at such time, or that we would have sufficient funds to provide to the Issuer to pay the purchase price of the outstanding Notes or that the restrictions in our 2026 Indenture, the 2027 Indenture, the PGE Loan, Revolving Credit Facility Agreement, the Intercreditor Agreement or our other existing contractual obligations would allow us to make such required repurchases. The repurchase of the Notes pursuant to such an offer could cause a default under such indebtedness, even if the change of control itself does not. Under certain circumstances, a change of control under the Revolving Credit Facility Agreement would, if so requested by a lender, result in the cancellation of such lender's commitments and require the repayment of amounts outstanding under such lender's commitments under the Revolving Credit Facility Agreement and a change of control may result in an event of default under, or acceleration of, other indebtedness. We may be required to repay a proportionate amount of debt under our Revolving Credit Facility Agreement if we repay all or a portion of the principal amount of the Notes.

The ability of the Issuer to receive cash from its respective subsidiaries to allow it to pay cash to the holders of the Notes, following the occurrence of a change of control, may be limited by our then existing financial resources. Sufficient funds may not be available when necessary to make any required repurchases. If an event constituting a change of control occurs at a time when we are prohibited from providing funds to the Issuer for the purpose of repurchasing the Notes, we may seek the consent of the lenders under such indebtedness to the purchase of the Notes or may attempt to refinance the borrowings that contain such prohibition. If such a consent to repay such borrowings is not obtained, the Issuer will remain prohibited from repurchasing any Notes. In addition, we expect that we would require third-party financing to make an offer to repurchase the Notes upon the occurrence of a change of control. There can be no assurances that we would be able to obtain such financing.

Any failure by the Issuer to offer to purchase the Notes would constitute a default under the Indenture, which would, in turn, constitute a default under the 2026 Indenture, the 2027 Indenture, the Revolving Credit Facility Agreement, the PGE Loan, the Senior Term Loan Facility Agreement, the Stimulus Bonds and certain other indebtedness. See "*Description of the Notes—Change of Control.*" The change of control provision contained in the Indenture may not necessarily afford you protection in the event of certain important corporate events, including a reorganization, restructuring, merger, recapitalization or other similar transaction involving us that may adversely affect you, because such corporate events may not involve a shift in voting power or beneficial ownership or, even if they do, may not constitute a "Change of Control" (as defined in the Indenture).

In addition, the occurrence of certain events that might otherwise constitute a change of control will be deemed not to be a change of control, provided that upon consummation thereto, a certain consolidated net leverage ratio of the Issuer and its restricted subsidiaries is met.

The definition of "Change of Control" in the Indenture includes a disposition of all or substantially all of the assets of the Issuer and its restricted subsidiaries, taken as a whole, to any person. Although there is a limited body of case law interpreting the phrase "substantially all," there is no precise, established definition of that 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 "substantially all" of the Issuer's and its restricted subsidiaries, assets 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.

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

The Guarantors guarantee, and the Issuer and the Guarantors provide security in respect of, the payment of the Notes on a first-priority basis. The Notes Guarantees provide the holders of the Notes with a direct claim against the Guarantors. In addition, the Issuer and the Guarantors secure the payment of the Notes by granting security under the relevant Security

Documents. The Issuer and the Guarantors are incorporated under the laws of France and Denmark and future Guarantors could be incorporated in other jurisdictions. Enforcement of the obligations under the Notes Guarantees against the Guarantors or the enforcement of a security interest in the Collateral is subject to certain defenses available to the Issuer and the Guarantors, as applicable, in the relevant jurisdiction. See "*Limitations on validity and enforceability of the Notes Guarantees and the security interests and certain insolvency law considerations*." Although laws differ in these jurisdictions, these laws and defenses may include those that relate to fraudulent conveyance or transfer, financial assistance, corporate purpose or benefit, voidable preference, insolvency or bankruptcy challenges, preservation of share capital, thin capitalization, capital maintenance or similar laws and regulations or defenses affecting the rights of creditors generally. If one or more of these laws and defenses are applicable, the Issuer and the Guarantors, as applicable, may have no liability or decreased liability under their respective Notes Guarantees or the security interest in the Collateral may be void or may not be enforceable depending on the amounts of its other obligations and applicable law. Furthermore, each security interest granted under a Security Document will be limited in scope to the value of the relevant assets expressed to be subject to that security interest, and the Indenture provides that the Notes Guarantees and the amounts recoverable thereunder will be limited to the maximum amount that can be guaranteed by the Guarantors, without rendering the relevant Notes Guarantee voidable or otherwise ineffective under applicable law or without resulting in a breach of any applicable law.

In particular, the Notes Guarantees granted by the French Guarantors will be limited, under French law, to the aggregate amount of the Notes proceeds, directly or indirectly on-lent, or used to refinance any indebtedness previously directly or indirectly on-lent, to the Guarantors and outstanding from time to time. The Notes Guarantee granted by Kiloutou Danmark will be limited, under Danish law, to the amount of its equity. Any payment that would be made by a Guarantor under a Notes Guarantee would reduce the maximum amount of its Notes Guarantees. By virtue of these limitations, the Guarantors' obligations under each of their Notes Guarantees could be significantly less than amounts payable under the Notes, or the Guarantors may have effectively no obligation under their Notes Guarantees. Other indebtedness of the Guarantors may not be similarly limited. In addition, limitations on the enforceability of judgments obtained in New York courts in such jurisdictions could limit the enforceability of the Notes Guarantees or the security interest in the Collateral against any of the Guarantors or the Issuer, as applicable. The court may also in certain circumstances avoid the Notes Guarantees or the security interest in the Collateral granted during hardening periods.

Under French and Danish corporate benefit rules, 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 the court found that the Guarantors did not receive some real and adequate corporate benefit from the transaction involving the grant of the guarantee as a whole. The existence of real and adequate corporate benefit to the Guarantors and whether the amounts guaranteed are commensurate with the benefit received are factual matters which must be determined on a case-by-case basis. French and Danish case law provide no clear guidance on this point.

The Notes, the Notes Guarantees and the security interests in the Collateral may be declared unenforceable against third parties under fraudulent conveyance laws.

French laws contain specific provisions dealing with fraudulent conveyance both in and outside insolvency proceedings. These provisions offer creditors protection against a decrease in their means of recovery. A legal act performed by a person (including, without limitation, an agreement pursuant to which the person guarantees the performance of the obligations of a third party or agrees to provide or provides security for any of its or a third party's obligations, enters into additional agreements benefiting from existing security and any other legal act having similar effect) can be challenged in or outside the context of insolvency proceedings of the relevant person by the creditor's representative (*mandataire judiciaire*), the commissioner of the safeguard or reorganization plan (*commissaire à l'exécution du plan*) in the insolvency proceedings of the relevant person or by any of the creditors of the relevant person outside insolvency proceedings or any creditor who was prejudiced in its means of recovery as a consequence of the act in or outside the context of insolvency proceedings, and may be declared unenforceable against third parties under French law if: (i) the person performed such acts without an obligation to do so; (ii) the creditor concerned or, in the case of the person's insolvency proceedings, any creditor, was prejudiced in its means of recovery as a consequence of the act; and (iii) at the time the act was performed both the person and the counterparty to the transaction knew or should have known that one or more of such person's creditors (existing or future) would be prejudiced in their means of recovery, unless the act was entered into for no consideration in which case such knowledge of the counterparty is not necessary for a successful challenge on the grounds of fraudulent conveyance. Similar provisions exist under Danish law.

As a result of any such successful challenge, holders of the Notes may not benefit from the Notes Guarantees or the security interests in the Collateral and the value of any consideration that holders of the Notes received with respect to the security interests in the Collateral or the Notes Guarantees could also be subject to recovery, 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 applicable, as a result of the fraudulent conveyance. See "*Limitations on validity and enforceability of the Notes Guarantees and the security interests and certain insolvency law considerations*."

The insolvency and administrative laws of France and Denmark may not be favorable to creditors, including investors in the Notes, and may limit your ability to enforce your rights under the Notes, the Notes Guarantees or the security interests in the Collateral.

The Notes were issued by the Issuer and guaranteed by the Guarantors, which are organized and existing under the laws of France and Denmark. In the event of a bankruptcy, insolvency or similar event, or to enforce your rights against the Collateral, proceedings could be initiated in France or Denmark.

In general, French insolvency legislation favors 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*)), court-administered proceedings (safeguard proceedings (*sauvegarde* or *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 Notes Guarantees could be limited or suspended. See "*Limitations on validity and enforceability of the Notes Guarantees and the security interests and certain insolvency law considerations—France*."

The ability of holders of the Notes to enforce their rights under the Notes or the Notes Guarantees could be limited or suspended in the event of a bankruptcy, insolvency or similar event given in particular the Danish rules on hardening and voidability. Please see *"Limitations on validity and enforceability of the Notes Guarantees and the security interests and certain insolvency law considerations—Denmark."*

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

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

For more information regarding insolvency laws and enforceability issues as they relate to the Issuer, the Notes Guarantees and security interests in the Collateral, see "*Limitations on validity and enforceability of the Notes Guarantees and the security interests and certain insolvency law considerations*."

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

The Issuer and the Guarantors are organized outside the United States, and their business is conducted entirely outside the United States. All of the directors and executive officers of the Issuer and the Guarantors are nonresidents of the United States. Although the Issuer and the Guarantors submitted to the jurisdiction of certain New York courts in connection with any action under U.S. securities laws, you may be unable to effect service of process in the United States on the directors and executive officers of the Issuer and the Guarantors, and you may be unable to enforce against them judgments obtained in U.S. courts. Moreover, as most of our assets and those of our directors and executive officers are located outside of the United States, actions of the Issuer and the Guarantors may not be subject to the civil liability provisions of the federal securities laws of the United States. However, it may be possible for investors to effect service of process in France and Denmark 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 is not currently bound by a treaty providing for the reciprocal recognition and enforcement of judgments, other than arbitral awards, rendered in civil and commercial matters with France and Denmark. There is, therefore, doubt as to the enforceability in France or Denmark of civil liabilities based upon U.S. securities laws in an action to enforce a U.S. judgment in France or Denmark. In addition, the enforcement in France or Denmark 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 French or Danish court would have the requisite power or authority to grant remedies sought in an original action brought in France or Denmark on the basis of U.S. securities laws violations.

A party in whose favor such a 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.*"

Creditors under the Revolving Credit Facility Agreement and counterparties to certain hedging obligations and future indebtedness permitted to be incurred under the terms of the Indenture and the Intercreditor Agreement to rank pari passu with the Revolving Credit Facility are entitled to be repaid with recoveries from the proceeds from the enforcement of the Collateral in priority over the Notes.

The Intercreditor Agreement includes provisions governing the sharing of recoveries from proceeds from enforcement of the Collateral. Such recoveries and enforcement proceeds are required to be turned over to the Security Agent after certain events, including the acceleration of the 2026 Notes, the 2027 Notes, the Notes, the Revolving Credit Facility or the Senior Term Loan Facility. The Security Agent is required to pay turned-over amounts and other recoveries by the Security Agent from enforcement actions to discharge obligations under the Revolving Credit Facility or certain hedging obligations and future indebtedness in priority to paying any such amounts to discharge 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 the Revolving Credit Facility or certain hedging obligations and future indebtedness are greater than the proceeds recovered. Any proceeds remaining from an enforcement sale of Collateral will, after all obligations under the Revolving Credit Facility and such hedging obligations and, if applicable, future Indebtedness that ranks *pari passu* with the Revolving Credit Facility have been discharged, be applied *pro rata* in repayment of the Notes.

The granting of the security interests in the Collateral may create hardening periods for such security interests in accordance with applicable law.

The granting of new security interests in connection with Notes previously issued may create hardening periods (a specific period preceding the court decision opening judicial reorganization or liquidation proceedings) for such security interests in France. The applicable hardening period for these new security interests will run from the moment each new security interest has been granted, perfected or recreated. In addition, the Indenture permits the security interests in the Collateral to be released and retaken in certain circumstances. Such release and retaking will restart the applicable hardening periods. Moreover, the granting of a shared security interest to secure future indebtedness may restart or reopen hardening periods in France. The applicable hardening period may run from the moment such new security is amended, granted or perfected. In each case, if the security interest granted, perfected or recreated were to be enforced before the end of the respective hardening period applicable in such jurisdiction, it may be declared void and/or it may not be possible to enforce it. Similar provisions on voidability and hardening periods exist under Danish law (see "*Limitations on validity and enforceability of the Notes Guarantees and the security interests and certain insolvency law considerations—Denmark*").

In the event any Permitted Reorganization is completed as described under "*Description of the Notes*," new hardening periods may be created in respect of security interests that are granted, perfected or recreated in connection with such Permitted Reorganization, and the security interests would be subject to the same risks described in the preceding paragraph. The applicable hardening period may run from the moment such new security is amended, transferred, assigned, granted or perfected. See "*Limitations on validity and enforceability of the Notes Guarantees and the security interests and certain insolvency law considerations—France*" and "*Limitations on validity and enforceability of the Notes Guarantees and the security interests and certain insolvency law considerations—Denmark.*"

The principal amount of the Existing Proceeds Loans forming part of the Collateral may be less than anticipated as a result of prepayments of such loans prior to the maturity date of the Notes.

The Issuer, Kiloutou S.A.S. and Kiloutou Danmark, as applicable, have entered into the Existing Proceeds Loans. The receivables relating to the Existing Proceeds Loans will form part of the Collateral and the receivables thereunder will be pledged to secure the Notes. Although the Intercreditor Agreement will restrict our ability to make repayments prior to the maturity date of the Notes of amounts due under the Existing Proceeds Loans, we will be permitted in certain circumstances to make such payments. Any repayments prior to the maturity date of the Notes would result in a reduction in the principal amount of the Existing Proceeds Loans, and any reduction in the principal amount of the Existing Proceeds Loans could reduce the value of your security on the receivables and the value of the guarantee provided by the obligor under the Existing Proceeds Loans.

You may be required to pay a "soulte" in the event you decide to enforce a pledge over the securities account 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 payment obligations, may only be enforced following a payment default and may only secure up to the secured amount that is due and remaining unpaid. Under French law, pledges over assets may generally be enforced at the option of the secured creditors either (i) pursuant to a judicial process (x) by way of a sale of the pledged assets in a public auction (the proceeds of the sale being paid to the secured creditors) or (y) by way of the judicial foreclosure (*attribution judiciaire*) of the pledged assets or (ii) by way of contractual foreclosure (*pacte commissoire*) of the pledged assets to the secured creditors, following which the secured creditors become the legal owner of the pledged assets. If the secured creditors choose to enforce by way of foreclosure (whether a judicial foreclosure or private foreclosure), the secured liabilities would be deemed extinguished up to the value of the foreclosed attributed assets.

Such value is determined either by the judge in the context of a judicial attribution (*attribution judiciaire*) or by an expert pre-contractually agreed or appointed by a judge in the context of a private attribution (*pacte commissoire*). In a proceeding regarding an *attribution judiciaire* or a *pacte commissoire*, an expert is appointed to value the collateral (in this case, the securities) and if the value of the collateral exceeds the amount of secured debt, the secured creditor may be required to pay the pledgor a *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 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.

An enforcement of the pledged securities could be undertaken through a public auction in accordance with applicable law. Since such public auction procedures are not designed for a sale of a business as a going concern, however, it is possible that the sale price received in any such auction might not reflect the value of our business as a going concern. See "*Limitations on validity and enforceability of the Notes Guarantees and the security interests and certain insolvency law considerations—France*."

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

The Collateral securing the Notes is subject to any and all exceptions, defects, encumbrances, liens and other imperfections permitted under the Indenture or the Revolving Credit Facility Agreement and the ability of the Security Agent to enforce on certain of the Collateral may be restricted by the Intercreditor Agreement and accepted by other creditors that have the benefit of first-ranking security interests in the Collateral securing the Notes from time to time, whether on or after the Issue Date. The existence of any such exceptions, defects, encumbrances, liens and other imperfections could adversely affect the value of the Collateral, as well as the ability of the Security Agent to realize or foreclose on such Collateral. Furthermore, the ranking of security interests can be affected by a variety of factors, including, among others, the timely satisfaction of perfection requirements, statutory liens or re-characterization under the laws of certain jurisdictions.

The ability of the Security Agent to enforce on the Collateral located in a particular jurisdiction or governed by the law of a particular jurisdiction is subject to mandatory provisions of the law of such jurisdiction. Enforcement of the Collateral may also be subject to certain statutory limitations and defenses or to limitations contained in the terms of the Security Documents designed to ensure compliance with applicable statutory requirements.

In addition, the security interests of the Security Agent will be subject to practical problems generally associated with the realization of security interests over real or personal property such as the Collateral. For example, the Security Agent may need to obtain the consent of a third party, including that of competent regulatory authorities or courts, to enforce a security interest. There can be no assurances that the Security Agent will be able to obtain any such consents. We also cannot assure you that the consents of any third parties will be given when required to facilitate a foreclosure on such assets. Accordingly, the Security Agent may not have the ability to foreclose upon those assets, and the value of the Collateral may significantly decrease.

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

To the extent permitted under applicable law, and subject to the Agreed Security Principles, the Notes are secured on a first-priority basis by substantially the same rights, property and assets securing the obligations under the 2026 Notes, the 2027 Notes, the Revolving Credit Facility Agreement and the Senior Term Loan Facility Agreement. In addition, under the terms of the Indenture, we are permitted to incur significant additional indebtedness and other obligations that may be secured by the same Collateral.

Pursuant to the Intercreditor Agreement and the Indenture, the Security Agent will serve as the common security agent for the secured parties under the Revolving Credit Facility, the Notes, the 2026 Notes, the 2027 Notes, the Senior Term Loan Facility and the hedging obligations (if any), respectively, with regard to the shared Collateral (as applicable). The Intercreditor Agreement will provide that the Security Agent will, subject to certain limited exceptions, act to enforce the security interests in the Collateral and take instructions from the relevant secured creditors in respect of the Collateral only at the direction of an "instructing group."

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

- the majority *pari passu* creditors have not either: (i) made a determination as to the method of enforcement and notified the Security Agent of that determination or (ii) appointed a financial adviser to assist them in making such a

determination, in each case, within three months of the date on which an instructing group delivers a copy of their proposed enforcement instructions (the "initial notice"); or

- the "super senior discharge date" (as described in the section below entitled "*Description of certain financing arrangements—Intercreditor Agreement*") has not occurred within six months of the date of the initial notice; or
- an insolvency event is continuing with respect to a member of the Group; or
- the majority *pari passu* creditors have not either: (i) made a determination as to the method of enforcement and notified the Security Agent of that determination or (ii) appointed a financial adviser to assist them in making a determination, and the "majority super senior creditors" (as described below): (a) determine in good faith that a delay in issuing enforcement instructions could have a material adverse effect on the ability to effect a distressed disposal or on the expected realization proceeds of any enforcement and (b) deliver enforcement instructions they believe to be consistent with the enforcement principles before the Security Agent has received instructions from the majority *pari passu* creditors,

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

The foregoing security enforcement arrangements could be disadvantageous to the holders of the Notes in a number of respects. Disputes may occur between the holders of the Note and creditors under our 2026 Notes, the 2027 Notes, the Revolving Credit Facility, the Senior Term Loan Facility, counterparties to certain hedging obligations, if any, and/or holders of any permitted *pari passu* secured indebtedness as to the appropriate manner of pursuing enforcement remedies and strategies with respect to the Collateral securing such obligations. In such an event, the holders of the Notes will be bound by any decisions of the relevant instructing group, which may result in enforcement action in respect of the relevant Collateral, whether or not such action is approved by the holders of the Notes or may be adverse to such holders of the Notes. The creditors under the Revolving Credit Facility, counterparties to certain hedging obligations, if any, and the holders of the 2026 Notes, the holders of the 2027 Notes, the creditors under the Senior Term Loan Facility or any permitted *pari passu* secured indebtedness may have interests that are different from the interest of holders of the Notes and they may elect to pursue their remedies under the relevant Security Documents at a time when it would otherwise be disadvantageous for the holders of the Notes to do so.

Other creditors not party to the Intercreditor Agreement could commence enforcement action against the Issuer or one or more of its subsidiaries, the Issuer 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. In addition, if we incur substantial additional indebtedness which may be secured by the Collateral, the holders of the Notes may not comprise the requisite majority creditors for the purposes of instructing the Security Agent. Further, if the super senior creditors have not been repaid in full within six months of the date of the proposed enforcement instructions or in the event of the occurrence of certain other circumstances described above, then control of the enforcement proceedings will shift to the majority super senior creditors.

The holders of the Notes also have no separate right to enforce the Collateral securing the Notes. In addition, the holders of the Notes will not be able to instruct the Security Agent, force a sale of Collateral or otherwise independently pursue the remedies of a secured creditor under the relevant Security Documents, unless they comprise an instructing group which is entitled to give such instructions, which, in turn, will depend on certain conditions and circumstances including those described above.

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

The Security Documents, subject to the terms of the Indenture and the Revolving Credit Facility Agreement, will allow the Issuer and the Guarantors to remain in possession of, retain exclusive control over, freely operate, and collect, invest and dispose of any income from the Collateral securing the Notes to the extent that it relates to their assets. So long as no enforcement event has occurred, the Issuer and the Guarantors may, among other things, without any release or consent by the Security Agent, conduct ordinary course activities with respect to the Collateral, such as selling, factoring, abandoning or otherwise disposing of the Collateral and making ordinary course cash payments, including repayments of indebtedness. Any of these activities could reduce the value of the Collateral, which could reduce the amounts payable to you from the proceeds of any sale of the Collateral in the case of an enforcement of the liens on the Collateral.

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

For a description of the security over the Collateral, see "*Description of the Notes—Security*." In the event of an enforcement of the pledges in respect of the Notes, the proceeds from the sale of the assets underlying the pledges may not be sufficient to satisfy the Issuer's obligations with respect to the Notes. No appraisal of the value of the Collateral has been made in connection with this Offering. The value of the assets underlying the pledges will also depend on many factors, including, among others, whether or not the business is sold as a going concern, the ability to sell the assets in an orderly sale, the condition of the economies in which operations are located, the availability of buyers and whether approvals required to purchase the business would be available to a buyer of the assets. In addition, the Intercreditor Agreement will provide that, in the event of any distribution of the proceeds from the sale of certain Collateral, the lenders under the Revolving Credit Facility, certain hedging obligations and certain future indebtedness will be entitled to receive from such distribution payment in full in cash before the holders of the pledges securing the Notes will be entitled to receive any payment from such distribution with respect to the Notes.

The shares and other Collateral that are pledged or assigned for the benefit of the holders of the Notes may provide for only limited repayment of the Notes, in part because most of these shares or other assets may not be liquid and their value to other parties may be less than their value to us. Likewise, there can be no assurances that the Collateral will be salable or, if salable, that there will not be substantial delays in the liquidation thereof. Most of our assets will not secure the Notes, and it is possible that the value of the Collateral will not be sufficient to cover the amount of indebtedness secured by such Collateral. As a result, the creditors secured by a pledge of the shares may not recover anything of value in the case of an enforcement sale. In addition, the value of this Collateral may decline over time.

The Indenture also permits the granting of certain liens other than those in favor of the holders of the Notes on the Collateral. To the extent that holders of other secured indebtedness or third parties have liens on the Collateral, including statutory liens, whether or not permitted by the Indenture or the Security Documents, such holders or third parties may have rights and remedies with respect to the Collateral which, if exercised, could reduce the proceeds available to satisfy our obligations under the Notes. Moreover, if we issue additional notes under the Indenture, holders of such additional notes would benefit from the same collateral as the holders of the Notes being offered hereby, thereby diluting your ability to benefit from the liens on the Collateral. Although we are subject, under the Indenture, to certain restrictions on our ability to incur additional indebtedness that is secured by the Collateral, including a Consolidated Senior Secured Net Leverage Ratio (as defined and described under "*Description of the Notes—Certain covenants—Limitation on Indebtedness*"), the definition of "Indebtedness" (as defined under "*Description of the Notes*") for purposes of calculating the Consolidated Senior Secured Net Leverage Ratio contains certain important exceptions and carve-outs.

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

The Indenture and the Intercreditor Agreement will provide that only the Security Agent has the right to enforce the Security Documents. As a consequence, holders of the Notes will not have direct security interests and will not be entitled to take enforcement action in respect of the Collateral securing the Notes, except through the Trustee under the Indenture, who will (subject to the provisions of the Indenture) provide instructions to the Security Agent in respect of the Collateral.

Under French law, the pledgee of a French law security interest and the creditor of the claim secured by such security interest are required to be the same person. Such security interests 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 Article 2488-6 *et seq*. of the French Code Civil as modified by Ordinance n 2017-748 of May 4, 2017, which came into force on October 1, 2017. The beneficial holders of interests in the Notes from time to time will not be parties to the Security Documents.

The Security Agent will hold all security interests to be pledged as Collateral. As regards the security interests to be pledged as Collateral governed by the laws of France, the Security Agent will hold such security interests to be pledged as Collateral as security agent for the beneficiaries under Articles 2488-6 et seq. of the French Civil Code. As regards the security interests to be pledged as Collateral governed by the laws of Denmark, the Security Agent will hold such security interests to be pledged as Collateral as agent and representative (*fuldmægtig og repræsentant*) for the beneficiaries pursuant to Section 18(1), cf. section 1(2), of the Danish Capital Markets Act.

Furthermore, in order to permit the beneficial holders of the Notes to benefit from a secured claim, the Intercreditor Agreement will provide for the creation of "parallel debt" obligations in favor of the Security Agent (the "**Parallel Debt**") mirroring the obligations of the 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 be granted in favor of the security agent on behalf of the secured creditors and 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).

None of the Parallel Debt and trust mechanism constructs have been generally recognized by French courts and to the extent that the Notes or security interests in the Collateral created under the Parallel Debt and/or trust constructs are successfully challenged by other parties, holders of the Notes may not receive on this basis any proceeds from an enforcement of the Notes Guarantees or 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 creditor of the Parallel Debt.

There is one published decision of the French Supreme Court (*Cour de cassation*) on Parallel Debt mechanisms (*Cass. com.* September 13, 2011 n°10-25533 Belvedere) 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 for the benefit of the Security Agent as 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 concept of "trust" has been recognized by the French Tax Code and the French Supreme Court (*Cour de cassation*), which has held, in the same published decision referred to above (*Cass. com.* September 13, 2011 n°10-25533 Belvedere) 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 (the "**Trust Convention**"), and two *réponses ministérielles* dated January 24, 2008 and January 8, 2009 indicated its reluctance to do so to avoid conflicts between the "trust" and the French fiducie, so that the concept of "trust" has not been generally recognized under French law. See "*Limitations on validity and enforceability of the Notes Guarantees and the security interests and certain insolvency law considerations—France*."

The concept of "trusts" as well as "parallel debt structures" is not recognized under Danish law, but Danish law does recognize the concept of a security agent holding security on behalf of the secured parties. Pursuant to section 18(1), cf. section 1(2), of the Danish Capital Markets Act, the Security Agent acting as agent and representative (*agent og repræsentant*) on behalf of the secured parties will be registered with the Danish Financial Supervisory Authority to ensure that it will hold the security interest in the Collateral on behalf of the secured parties from time to time under a collective debt arrangement (*kollektive gældsforhold*), however, no assurance can be given that the Security Agent or the terms and conditions of the Notes and other documents meet the eligibility criteria for the Security Agent to be registered with the Danish Financial Supervisory Authority, that such registration will be obtained or, if obtained, that it will be maintained. See "*Limitations on validity and enforceability of the Notes Guarantees and the security interests and certain insolvency law considerations—Denmark*."

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

If there is an event of default in the Notes, the holders of the Notes will be secured only to the extent of the value of the assets that have been granted as security for the Notes. In addition, in the future, the obligations to provide additional guarantees and grant additional security over assets, whether as a result of the creation of future assets or subsidiaries or otherwise, are, in certain circumstances, linked to our obligations under the Revolving Credit Facility Agreement, subject to the Agreed Security Principles. To the extent that lenders under the Revolving Credit Facility Agreement are granted security, the negative pledge in the Indenture may require, subject to local law limitations, such security to also be granted for the benefit of holders of the Notes. The Agreed Security Principles set forth in the Indenture will contain a number of limitations on the rights of the lenders to be granted security in certain circumstances. The operation of the Agreed Security Principles may result in, among other things, the amount recoverable under any Collateral provided being limited or

security not being granted or perfected over a particular type or class of assets. Accordingly, the Agreed Security Principles may affect the value of the security provided by the Issuer and the Guarantors.

To the extent that the claims of the holders of the Notes exceed the value of the assets securing those Notes and other obligations, those claims will rank equally with the claims of the holders of all other existing and future senior unsecured indebtedness ranking *pari passu* with the Notes. 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, those claims may not be satisfied in full before the claims of certain unsecured creditors are paid.

Investors' rights in the Collateral may be adversely affected by the failure to perfect security interests in the Collateral.

Applicable law may require that a security interest in certain assets can only be properly perfected and its priority retained through certain actions undertaken by us or the secured party or the grantor of the security. The liens on the Collateral securing the Notes and the Notes Guarantees may not be perfected with respect to the claims of the Notes and the Notes Guarantees if we, or the Security Agent, fail or are unable to take the actions required to perfect any of these liens. Such failure may result in the invalidity of the relevant security interest in the Collateral securing the Notes or adversely affect the priority of such security interest in favor of the Notes against third parties, including a trustee in bankruptcy and other creditors who claim a security interest in the same Collateral. In addition, applicable law may require that certain property and rights acquired after the grant of a general security interest can only be perfected at the time such property and rights are acquired and identified. There can be no assurance that the Security Agent will monitor, or that we will inform the Security Agent of, the future acquisition of property and rights that constitute Collateral, and that the necessary action will be taken to properly perfect the security interest in such after-acquired collateral. Neither the Trustee nor the Security Agent has any obligation to monitor the acquisition of additional property or rights that constitute Collateral or to perfect any security interest. Such failure may result in the loss of the security interest in the Collateral or the priority of the security interest in favor of the Notes and the Notes Guarantees against third parties.

Additionally, the Indenture and the Security Documents entered into in connection with the Notes will not require us to take a number of actions that might improve the perfection or priority of the security interests of the Security Agent in the Collateral. To the extent that the security interests created by the Security Documents with respect to any Collateral are not perfected, the Security Agent's rights will be equal to the rights of general unsecured creditors in the event of a liquidation, foreclosure, bankruptcy, reorganization or similar proceeding.

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

Under various circumstances, the Collateral securing the Notes and the Notes Guarantees will be released automatically as described under "*Description of the Notes—Security—Release of Liens*," including:

- in connection with any sale or disposition of such property or assets to (a) any person that is not the Issuer or a Restricted Subsidiary (as defined under "*Description of the Notes*") either before or after giving effect to such transaction, if such sale or other disposition does not violate the covenant described under "*Description of the Notes—Certain covenants—Limitation on sales of assets and subsidiary stock*" or (b) the Issuer or any Guarantor; provided that such transfer is otherwise in compliance with the Indenture and, immediately following such sale or disposition, a lien of at least equivalent ranking over the same assets or property exists or is granted in favor of the Security Agent (on its own behalf and on behalf of the Trustee for the holders);
- in connection with the release of a Guarantor from its Notes Guarantees pursuant to the terms of the Indenture, the release of the property and assets, and capital stock, of such Guarantor;
- if the Issuer designates any Restricted Subsidiary (as defined under "*Description of the Notes*") to be an Unrestricted Subsidiary (as defined under "*Description of the Notes*") in accordance with the applicable provisions of the Indenture, the release of the property, assets and Capital Stock of such Unrestricted Subsidiary (as defined under "*Description of the Notes*");
- upon legal defeasance, covenant defeasance or satisfaction and discharge of the Indenture, as provided in "*Description of the Notes—Defeasance*" and "*Description of the Notes—Satisfaction and discharge*";
- in compliance with the provisions of the Intercreditor Agreement or any additional intercreditor agreement relating to disposals of assets subject to security (see "*Description of certain financing arrangements—Intercreditor Agreement*");
- (i) in accordance with "*Description of the Notes—Amendments and waivers*," (ii) in accordance with the covenant described under "*Description of the Notes—Certain covenants—Impairment of security interest*" and (iii) in accordance with the second paragraph under the covenant described under "*Description of the Notes—Certain covenants—Limitation on Liens*" so long as immediately after the release there is no other indebtedness secured by a

lien on the property or assets that was the subject of the initial lien that would result in the requirement for the Notes and the Notes Guarantees to be secured equally and ratably with, or prior to, such lien;

- in order to effectuate a Permitted Reorganization (as defined under "*Description of the Notes*") or a merger, consolidation, conveyance or transfer conducted in compliance with covenant described under the "*Description of the Notes—Certain covenants—Merger and consolidation*"; provided that following such Permitted Reorganization or merger, consolidation, conveyance or transfer, a lien of at least equivalent ranking over the same assets or property is granted in favor of the Security Agent (on its own behalf and on behalf of the Trustee for the holders) to the extent such assets or property continue to exist as assets or property of the Issuer or a Restricted Subsidiary;
- upon the full and final payment and performance of all obligations of the Issuer and the Guarantors under the Indenture and the Notes; or
- as otherwise permitted in accordance with the Indenture.

Under various circumstances, the Notes Guarantees of the Guarantors (and any future Notes Guarantee granted subsequent to the Issue Date) will be released automatically as described under "*Description of the Notes—Notes guarantees—Releases*," including:

- upon a sale or other disposition (including by way of merger, consolidation, amalgamation or combination) of capital stock of the relevant Guarantor (whether by direct sale or sale of a holding company of such Guarantor) to a Person that is not (either before or after giving effect to such transaction) the Issuer or a Restricted Subsidiary (as defined under "*Description of the Notes*"), if the sale or other disposition does not violate the covenant described under "*Description of the Notes—Certain covenants—Limitation on sales of assets and subsidiary stock*" and such that the relevant Guarantor no longer remains a Restricted Subsidiary;
- in connection with any sale, disposition, exchange or other transfer of all or substantially all of the assets of such Guarantor (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, if the sale or other disposition does not violate the covenant described under "*Description of the Notes—Certain covenants—Limitation on sales of assets and subsidiary stock*";
- upon the designation in accordance with the Indenture of such Guarantor as an Unrestricted Subsidiary;
- upon legal defeasance, covenant defeasance or satisfaction and discharge of the Indenture, as provided in "*Description of the Notes—Defeasance*" and "*Description of the Notes—Satisfaction and discharge*";
- in accordance with the provisions of the Intercreditor Agreement or an additional intercreditor agreement relating to the release of Notes Guarantees on an enforcement sale or other disposal of such Guarantor;
- as described under "*Description of the Notes—Amendments and waivers*";
- with respect to a future Notes Guarantee given under the covenant described below "*Description of the Notes—Certain covenants—Additional Notes Guarantees*," upon release of the relevant Notes Guarantee that gave rise to the requirement to issue such future Notes Guarantee so long as no event of default would arise as a result and no other indebtedness that would give rise to an obligation to give a future Notes Guarantee is at that time guaranteed by the relevant Guarantor;
- with respect to any Guarantor which is not the continuing or surviving person in the relevant consolidation or merger, as a result of a Permitted Reorganization or a transaction permitted by the covenant described under "*Description of the Notes—Certain covenants—Merger and consolidation—The Guarantors*" and the Indenture;
- upon the full and final payment and performance of all obligations of the Issuer and the Guarantors under the Indenture and the Notes; or
- as otherwise permitted in accordance with the Indenture.

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

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

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

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

Additional Notes sold pursuant to Regulation S may not be fungible with existing Notes for U.S. federal income tax purposes.

Additional Notes sold pursuant to Regulation S from time to time may be issued with the same ISIN, Common Code, CUSIP or other securities identification number as the applicable series of Notes previously issued under the Indenture without being fungible with such series of Notes for U.S. federal income tax purposes. In such case, the additional Notes may be considered to have original issue discount ("**OID**") for U.S. federal income tax purposes which may adversely affect the market value of the original Notes if the additional Notes are not otherwise distinguishable from the original Notes. If you are a U.S. holder (as defined in "*Tax considerations—Certain U.S. federal income tax considerations*") considering the purchase of Notes sold pursuant to Regulation S, you should consult your tax advisors concerning the particular U.S. federal income tax consequences to you of the purchase, ownership and disposition of such Notes, including with respect to the potential issuance of additional Notes that are not fungible with the applicable series of initial Notes issued under the Indenture for U.S. federal income tax purposes, but which nevertheless are not capable of being separately identified. In the event additional Notes are issued pursuant to Regulation S that bear the same ISIN, Common Code, CUSIP or other securities identification number as Notes belonging to the same series previously issued, without being fungible with such series of initial Notes for U.S. federal income tax purposes, book-entry interests in the Regulation S global notes that form part of that series, including in respect of investors that hold book-entry interests in the Regulation S global notes on or prior to the date of issuance of such additional Notes, will not be eligible for transfer to book-entry interests in a Rule 144A global note (if any) representing Notes of that same series. Such a restriction could adversely impact the liquidity of sales of book-entry interests in the Regulation S global notes of such series of Notes. See *"Book-entry, delivery and form—Transfers*" and "*Description of the Notes—Additional Notes*."

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

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

Interests in the Global Notes (as defined under "*Book-entry, delivery and form*") will trade in book-entry form only, and Notes in definitive registered form, or Definitive Registered Notes (as defined under "*Book-entry, delivery and form*"), will be issued in exchange for book-entry interests only in very limited circumstances. Owners of book-entry interests will not be considered owners or holders of Notes. The common depositary, or its nominee, for Euroclear and Clearstream will be the sole registered holder of the Global Notes representing the Notes. Payments of principal, interest and other amounts owing on or in respect of the Global Notes representing the Notes will be made to the Paying Agent, which will make payments to Euroclear and Clearstream. Thereafter, these payments will be credited to participants' accounts that hold book-entry interests in the global Notes representing the Notes and credited by such participants to indirect participants. After payment to the common depositary for 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 investors own a book-entry interest, they must rely on the procedures of Euroclear and Clearstream, and if investors are not participants in Euroclear and Clearstream, they must rely on the procedures of the participant through which they own their interest, to exercise any rights and obligations of a holder of Notes under the Indenture.

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

Similarly, upon the occurrence of an "Event of Default" under the Indenture, unless and until Definitive Registered Notes are issued in respect of all book-entry interests, if investors own book-entry interests, they will be restricted to acting through Euroclear and Clearstream. The procedures to be implemented through Euroclear and Clearstream may not be adequate to ensure the timely exercise of rights under the Notes. See "*Book-entry, delivery and form*."

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

The Notes are new issues of securities for which there are currently no established trading markets. There can be no assurances of the liquidity of any markets in the Notes, your ability to sell your Notes or the prices at which you would be able to sell your Notes.

Even if an active trading market for the Notes does develop, there is no guarantee that it will continue. In addition, recent regulatory actions by the U.S. Securities and Exchange Commission under Rule 15c2-11 of the Exchange Act may restrict the ability of brokers and dealers to publish quotations on the Notes on any interdealer quotation system or other quotation medium after January 3, 2023, which may materially adversely affect the liquidity and trading prices for the Notes.

Future trading prices of the Notes will depend on many factors, including, among others, prevailing interest rates, our operating results and the markets for similar securities. The liquidity of the trading markets for the Notes may be adversely affected by a general decline in the markets for similar securities. Historically, the markets for non-investment-grade securities have been subject to disruptions that have caused substantial volatility in the prices of securities similar to the Notes. Any such disruption may have a negative effect on you, as a holder of Notes, regardless of our prospects and financial performance. In addition, the Indenture will allow us to issue additional Notes in the future, which could materially adversely impact the liquidity of the Notes. The Initial Purchasers have advised that they intended to make markets in the Notes after completing this Offering. However, they have no obligation to do so and may discontinue market-making activities at any time without notice. In addition, such market-making activity will be subject to limitations imposed by the Securities Act and other applicable laws and regulations. As a result, there may not be any active trading markets for the Notes. If no active trading markets develop, you may not be able to resell your Notes at a fair value, if at all.

The Notes may not become, or remain, listed on the Luxembourg Stock Exchange.

Although the Issuer, in the Indenture, agreed to use its commercially reasonable efforts to have the Notes listed on the Securities Official List of the Luxembourg Stock Exchange after the Issue Date and to maintain such listing as long as the Notes are outstanding, the Issuer cannot assure you that the Notes will remain listed. If the Issuer cannot maintain the listing on the Securities Official List of the Luxembourg Stock Exchange or it becomes unduly burdensome to make or maintain such listing, the Issuer may cease to make or maintain such listing on the Securities Official List of the Luxembourg Stock Exchange, provided that they will use commercially reasonable efforts to obtain (prior to the delisting of the Notes, if applicable) and maintain the listing of the Notes on another stock exchange, although there can be no assurance that the Issuer will be able to do so. Although no assurance can be made as to the liquidity of the Notes as a result of listing on the Securities Official List of the Luxembourg Stock Exchange or another recognized listing exchange for comparable issuers in accordance with the Indenture, failure to be approved for listing or the delisting of the Notes from the Securities Official List of the Luxembourg Stock Exchange or another listing exchange in accordance with the Indenture may have a material adverse effect on a holder's ability to resell Notes in the secondary market.

Certain covenants will be suspended if the Notes receive investment grade ratings.

The Indenture will provide that, at any time following the Issue Date, if the Notes receive an investment grade rating (Baa3 or better by Moody's Investors Service, Inc., BBB- or better from Standard & Poor's Ratings Group or BBB- or better from Fitch Ratings, Inc.) and no default or event of default has occurred and is continuing, then beginning that day and continuing until such time as the Notes are no longer rated investment grade by at least two of the foregoing ratings agencies, certain covenants will cease to be applicable to the Notes. See "*Description of the Notes—Certain covenants—Suspension of covenants on achievement of investment grade status*." At any time when these covenants are suspended, we will be able to, among other things, incur additional indebtedness, pay cash dividends, sell assets and redeem subordinated indebtedness without restriction, each of which may conflict with the interests of holders of the Notes. There can be no assurance that the Notes will ever achieve an investment grade rating or that any such rating will be maintained.

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

If the stated principal amount of the Notes exceeds their issue price (as determined for U.S. federal income tax purposes) by an amount equal to or more than a statutorily defined *de minimis* amount, the Notes will be issued with OID for U.S. federal income tax purposes. In such event, investors in the Notes subject to U.S. federal income taxation generally will be required to include such OID in their gross income for U.S. federal income tax purposes as it accrues, in advance of the receipt of cash payments attributable to such income, using the constant yield method. See "*Tax considerations—Certain U.S. federal income tax considerations—Original issue discount*."

USE OF PROCEEDS

We used the proceeds of the Offering to (i) pay the consideration for the Tender Offer, (ii) repay certain amounts outstanding under the Revolving Credit Facility, (iii) fund the redemption of all of the remaining 2027 Notes, (iv) fund the redemption of all outstanding 2026 Floating Rate Notes not tendered pursuant to the Exchange Offer and (v) pay certain fees, costs and expenses in connection with the Transactions.

The estimated sources and uses of the Offering are shown in the table below. Amounts included in the table below are based on estimated data as of the Issue Date. Actual amounts will vary from estimated amounts depending on several factors, including differences between estimated and actual fees, costs and expenses, exchange rate fluctuations and cash collected or spent prior to the Issue Date. Any increase in actual fees, costs and expenses will be funded using cash on our balance sheet. This table should be read in conjunction with "*Capitalization*."

Sources of funds	**(€ millions)**	**Uses of funds**	**(€ millions)**
Notes offered hereby and Exchange Notes	650.0	Repayment of the 2027 Notes[(1)]	200.0
		Repayment of the 2026 Notes[(2)]	400.0
		Repayment of Revolving Credit Facility drawings	44.0
		Estimated fees, costs and expenses[(3)]	6.0
Total sources	**650.0**	**Total uses**	**650.0**

(1) As of the date hereof, €143,874,000 was validly tendered and accepted pursuant to the Tender Offer. We have issued a notice of conditional redemption in respect of the remaining 2027 Notes not validly tendered and validly accepted in the Tender Offer at a redemption price of 101%, plus accrued and unpaid interest, with such redemption being conditional on the closing of the Notes offered hereby.

(2) Represents the principal amount of Floating Rate 2026 Notes being redeemed, at par, plus the amount of Floating Rate 2026 Notes that are being exchanged at par in accordance with the Exchange Offer. We issued a notice of conditional redemption in respect of all Floating Rate 2026 Notes not validly tendered and validly accepted for exchange in the Exchange Offer, with such redemption being conditional on the closing of the Notes offered hereby.

(3) Represents estimated fees, costs and expenses in connection with the Transactions, including premium and accrued and unpaid interest with respect to the 2027 Notes (in each case assuming that the Tender Offer is settled on February 5, 2024), accrued and unpaid interest with respect to the Floating Rate 2026 Notes that are redeemed and fees and other amounts payable in respect of the Exchange Offer.

CAPITALIZATION

The following table describes the cash and cash equivalents and capitalization as of September 30, 2023 of the Group (i) on a historical basis and (ii) on an as adjusted basis to give effect to the consummation of the Offering (assuming all 2027 Notes are accepted for tender in the Tender Offer), as if the Offering occurred on September 30, 2023, as if such transactions occurred on September 30, 2023. Actual amounts will vary from estimated amounts depending on several factors, including the amount of 2026 Floating Rate Notes accepted for exchange in the Exchange Offer and differences between estimated and actual fees, costs and expenses.

You should read this table in conjunction with "*Summary—The Transactions*," "*Use of proceeds*," "*Summary historical consolidated financial and other data*," "*Management's discussion and analysis of financial condition and results of operations*," "*Description of certain financing arrangements*" and the Financial Statements and the notes thereto included elsewhere in these listing particulars. Except as set forth below, there have been no other material changes to our capitalization since September 30, 2023. The as adjusted information below is illustrative only and does not purport to be indicative of what our actual capitalization will be following the consummation of the Transactions.

	As of September 30, 2023	
(€ millions)	**Actual**	**As adjusted, including Exchange Offer**
Cash and cash equivalents[(1)]	**71.1**	**71.1**
Debt[(2)]		
New Senior Secured Floating Rate Notes due 2030:		
Notes offered hereby	—	461.9
Exchange Notes[(3)]	—	188.1
2026 Fixed Rate Notes	460.0	460.0
2026 Floating Rate Notes[(3)]	400.0	—
2027 Notes	200.0	—
Revolving Credit Facility[(4)]	60.0	16.0
Senior Term Loan Facility[(5)]	20.3	20.3
Grupo Vendap Facility[(6)]	14.4	14.4
Finance leases[(7)]	385.5	385.5
IFRS 16 leases[(8)]	182.1	182.1
Bilateral loans[(9)]	6.3	6.3
Total senior secured debt	**1,728.6**	**1,734.6**
Bilateral loans[(9)]	18.1	18.1
PGE Loan	25.0	25.0
Stimulus Bonds[(10)]	49.0	49.0
Total third-party financial debt	**1,820.7**	**1,826.7**
Subordinated shareholder funding[(11)]	165.0	165.0
Total equity	**472.7**	**472.7**
Total capitalization	**2,458.4**	**2,464.4**

(1) As adjusted cash and cash equivalents reflects our actual cash and cash equivalents as of September 30, 2023, after giving effect to the Offering and, as applicable, the Exchange Offer. We did not receive cash proceeds from Notes issued in exchange for 2026 Floating Rate Notes tendered for exchange in the concurrent Exchange Offer. The actual amount of cash and cash equivalents may vary based on various factors, including differences in the actual rate of participation in the Exchange Offer, actual fees and expenses paid in respect of the Transactions, exchange rate fluctuations and cash collected or spent prior to the Issue Date.

(2) All debt is presented at its aggregate principal amount, and does not reflect capitalized debt issuance costs or accrued interest expense.

(3) Any Exchange Notes issued are issued under the Indenture on the Issue Date and have identical terms and form a single class with the Notes. In connection with the Exchange Offer or the Tender Offer, the Issuer did not offer for exchange any 2026 Floating Rate Notes or accept any tenders of any 2027 Notes, respectively, that are represented by book-entry interests held in any Rule 144A global notes representing the 2026 Floating Rate Notes or the 2027 Notes, respectively. In regards to any 2026 Floating Rate Notes or 2027 Notes that are represented by book-entry interests held in any Rule 144A global notes, such 2026 Floating Rate Notes and 2027 Notes remained outstanding following the completion of the Exchange Offer and the Tender Offer, respectively. Additionally, we redeemed all 2027 Notes that were not tendered in the Tender Offer in accordance with the 2027 Indenture (including any 2027 Notes that are represented by book-entry interests held in any Rule 144A global notes).

(4) The Revolving Credit Facility Agreement permits the incurrence of up to €180.0 million of revolving credit borrowings on a committed basis. See "*Description of certain financing arrangements—Revolving Credit Facility Agreement*," "*Description of certain financing arrangements—Intercreditor Agreement*" and "*Summary—The Transactions—Extension and amendment of Revolving Credit Facility maturity*."

(5) The Senior Term Loan Facility is guaranteed on a joint and several basis by the Guarantors. Such guarantees rank or will rank *pari passu* in right of payment with the guarantees of the Notes, the 2026 Notes, the 2027 Notes and the Revolving Credit Facility pursuant to the terms of the Intercreditor Agreement. The Senior Term Loan Facility is secured by first-priority interests in the Collateral pursuant to the terms of the Intercreditor Agreement. See "*Description of certain financing arrangements—Senior Term Loan Facility Agreement*."

(6) In connection with the Grupo Vendap Acquisition, we incurred €19.0 million of unsecured debt in the form of an existing term loan facility. See "*Description of certain financing arrangements—Grupo Vendap Facility*."

(7) 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, 2023, €246.0 million was owed by the Guarantors and €139.5 million was owed by our other subsidiaries.

(8) Our IFRS 16 leases are leases that would have been classified as operating leases prior to the implementation of IFRS 16. Of the €182.1 million of our IFRS 16 leases as of September 30, 2023, €100.5 million was owed by the Guarantors and €81.6 million was owed by other subsidiaries.

(9) As of September 30, 2023, €18.1 million was outstanding under various unsecured bilateral loans (including certain sustainability-linked loans), which were drawn by Kiloutou S.A.S. and Kiloutou Module. Of our €24.4 million of bilateral loans, €6.3 million was owed by subsidiaries that are not Guarantors.

(10) Represents the aggregate principal amount of the Stimulus Bonds outstanding as of September 30, 2023. The Stimulus Bonds benefit from a partial guarantee from the French State. The Group has not provided any guarantees or security in relation to the Stimulus Bonds. On December 29, 2023, the Issuer issued €5.0 million of Stimulus Bonds in two tranches by way of private placements to the subscribers of such bonds, which are described in more detail under "*Description of certain financing arrangements— Stimulus Bonds*".

(11) On February 15, 2018, in connection with the acquisition of the Group by the Sponsors, the Issuer issued convertible bonds to certain of its shareholders for an initial principal amount of €165.0 million. These convertible bonds bear interest at a rate of 9.09% per annum, payable in kind. The convertible bonds are unsecured, and will be subordinated to the Notes and the Notes Guarantees pursuant to the Intercreditor Agreement. As of September 30, 2023, we had €165.0 million outstanding under the convertible bonds, which comprises the principal amount thereof, but excludes accrued interest of €104.2 million and the impact of capitalized debt issue costs. The holders of the convertible bonds have approved the extension of the maturity date of such bonds to February 15, 2031.

SELECTED HISTORICAL FINANCIAL INFORMATION

The tables below set forth certain selected consolidated financial information of the Group as of and for the years ended December 31, 2020, 2021 and 2022 and the nine months ended September 30, 2022 and 2023. The consolidated financial information contained in the following tables is derived from the Financial Statements. The French GAAP Audited Consolidated Financial Statements have been prepared in accordance with French GAAP. The IFRS Audited Consolidated Financial Statements were prepared in accordance with IFRS and the 2023 Unaudited Interim Condensed Consolidated Financial Statements were prepared in accordance with IAS 34, IFRS standard applicable to interim financial statements.

You should read the tables below in conjunction with "*Presentation of financial and other information*," "*Summary historical consolidated financial information and other data*," "*Management's discussion and analysis of financial condition and results of operations*," "*Use of proceeds,*" "*Capitalization*," as well as the Financial Statements and the notes thereto included elsewhere in these listing particulars.

Selected IFRS income statement data

	Year ended December 31,		Nine months ended September 30,	
	2021	**2022**	**2022**	**2023**
(€ millions)		**IFRS**		
Revenue	792.9	1,017.7	730.2	895.7
Other operating income	35.8	35.3	20.6	32.6
Equipment and logistics costs	(175.6)	(275.2)	(196.4)	(233.6)
Payroll costs	(252.3)	(301.6)	(215.9)	(261.1)
Head office overheads and network expenses	(83.8)	(98.7)	(73.5)	(91.7)
Depreciation, amortization and impairment	(238.7)	(288.2)	(201.6)	(248.2)
Other recurring income and expenses	0.5	(0.9)	(1.6)	(5.6)
Recurring operating profit	**78.8**	**88.6**	**61.9**	**88.1**
Non-recurring operating income and expenses	(0.8)	(7.2)	(3.7)	(3.2)
Operating profit	**78.0**	**81.3**	**58.1**	**84.9**
Net financial expense	(52.2)	(38.0)	(17.0)	(80.1)
Income tax expense	(12.5)	(19.5)	(13.8)	(8.7)
Profit/(loss) for the period	**13.4**	**23.9**	**27.4**	**(3.8)**

Selected French GAAP income statement data

	Year ended December 31,	
	2020	**2021**
	Restated[(a)]	
(€ millions)	**French GAAP**	
Revenue	646.1	792.9
Total equipment and logistics costs	277.6	313.4
Gross profit	**368.5**	**479.5**
Total payroll costs	202.8	250.7
Other operating costs	125.6	139.1
Net expense for doubtful receivables	3.1	1.4
Other operating (income)/expenses, net	(0.6)	(2.7)
Net income from ordinary activities	**37.6**	**91.1**
Financial expenses[(b)]	59.8	54.6
Extraordinary income (−) and expenses (+)	1.8	1.2
Income tax	3.3	11.0
Amortization of fair value adjustments to intangible assets	14.7	14.7
Net income (loss) for the period	**(42.0)**	**9.6**

(a) During the periods under review in these listing particulars, we have adopted certain French GAAP accounting standards that may have an impact on the comparability of the French GAAP financial information presented herein. This includes the application of the regulation ANC 2020-01 referred to in Note 3.2 to the 2021 French GAAP Audited Consolidated Financial Statements. This change in accounting method has

been applied prospectively and has no significant impact on the 2021 French GAAP Audited Consolidated Financial Statements presented in this table, except for a change in the presentation of the balance sheet and the income statement which have been restated for this presentational change.

(b) "Financial expenses" have been reclassified as non-operating expenses in the 2021 French GAAP Audited Consolidated Financial Statements. The change in presentation has also been applied to the comparative figures for the year ended December 31, 2020 presented in the 2021 French GAAP Audited Consolidated Financial Statements. "Financial expenses" for the years ended December 31, 2020 and 2021 have been presented in this table in line with the 2021 French GAAP Audited Consolidated Financial Statements and such presentation does not correspond to the presentation in the 2020 Audited Consolidated Financial Statements included elsewhere in these listing particulars.

Selected IFRS balance sheet data

	As of December 31,		As of September 30,
	2021	2022	2023
(€ millions)		**IFRS**	
Assets			
Goodwill	813.8	946.4	957.0
Intangible assets	438.2	546.5	534.9
Property, plant and equipment	751.0	1,065.6	1,086.9
Non-current financial assets	7.5	58.9	53.4
Deferred tax assets	5.1	1.4	0.3
Other non-current receivables	0.0	0.0	0.0
Total non-current assets	2,015.6	**2,618.8**	**2,632.5**
Inventories and work in progress	23.6	33.8	38.9
Trade and other receivables	181.9	281.4	304.4
Current financial assets	0.0	7.7	14.3
Current tax assets	4.9	5.3	3.3
Cash and cash equivalents	114.3	78.3	71.1
Assets held for sale	0.0	0.0	0.0
Total current assets	**324.8**	**406.5**	**432.0**
Total assets	**2,340.4**	**3,025.3**	**3,064.6**
Equity and Liabilities			
Liabilities			
Share capital	5.1	5.1	5.1
Share premium	484.9	484.9	484.9
Reserves	(53.9)	(40.1)	(11.7)
Profit/(loss) for the period	13.4	23.9	(3.8)
Translation reserve	(1.4)	(1.4)	(1.9)
Equity attributable to owners of parent	**448.1**	**472.4**	**472.7**
Non-controlling interests	0.0	0.0	0.0
Total equity	**448.1**	**472.4**	**472.7**
Long-term debt	1,136.8	1,386.3	1,414.8
Non-current lease liabilities	257.1	395.8	407.5
Long-term provisions for employee benefit obligations	4.0	4.6	4.8
Other long-term provisions	6.9	11.5	11.8
Non-current financial instruments	10.7	25.9	23.3
Deferred tax liabilities	129.5	168.7	162.5
Other non-current payables	0.0	0.0	0.0
Total non-current liabilities	**1,545.0**	**1,992.7**	**2,023.3**
Short-term debt	25.0	90.0	105.9
Current lease liabilities	131.1	179.4	163.4
Current tax liabilities	3.1	4.1	12.5
Trade and other payables	188.0	286.7	286.9
Liabilities directly associated with assets held for sale	0.0	0.0	0.0
Total current liabilities	**347.3**	**560.2**	**568.8**
Total equity and liabilities	**2,340.4**	**3,025.3**	**3,064.6**

Selected French GAAP balance sheet data

	As of December 31,	
	2020 Restated[a]	2021
(€ millions)	**French GAAP**	
Assets		
Goodwill	690.9	736.2
Intangible assets	450.8	439.8
Property, plant and equipment	620.2	608.3
Other financial assets	3.7	4.6
Investments accounted for by the equity method	0.0	0.0
Total fixed assets	**1,765.8**	**1,788.9**
Inventories and work in progress	21.4	23.6
Advances and prepayments	0.3	0.5
Trade receivables	142.4	159.1
Other receivables	33.5	21.3
Marketable securities	12.0	12.3
Cash in bank and at hand	178.2	102.0
Accruals and other assets	15.3	14.6
Total current assets	**403.2**	**333.4**
Total assets	**2,168.9**	**2,122.4**
Equity and Liabilities		
Equity		
Share capital	5.1	5.1
Additional paid-in capital	484.9	484.9
Reserves and retained earnings	7.1	(32.6)
Net income attributable to owners of parent	(42.0)	9.6
Exchange differences	(1.1)	(1.2)
Equity attributable to owners of parent	**454.0**	**465.8**
Minority interests	0.0	0.0
Total equity	**454.0**	**465.8**
Provisions for contingencies and charges[b]	24.9	16.7
Bonds	1,073.2	1,092.5
Borrowings and financial debt	408.6	306.2
Other financial debt	11.2	7.7
Other financial debt other than from financial institutions	1.0	0.7
Trade payables	68.7	89.3
Tax and payroll liabilities[b]	112.4	125.4
Other payables	10.6	14.5
Accruals and other liabilities	4.3	3.6
Total liabilities	**1,690.1**	**1,640.0**
Total equity and liabilities	**2,168.9**	**2,122.4**

(a) During the periods under review in these listing particulars, we have adopted certain French GAAP accounting standards that may have an impact on the comparability of the French GAAP financial information presented herein. This includes the application of the regulation ANC 2020-01 referred to in Note 3.2 to the 2021 French GAAP Audited Consolidated Financial Statements. This change in accounting method has been applied prospectively and has no significant impact on the 2021 French GAAP Audited Consolidated Financial Statements presented in this table, except for a change in the presentation of the balance sheet and the income statement which have been restated for this presentational change.

(b) Per ANC Regulation No. 2020-01, deferred tax liabilities amounting to €46.3 million and €41.6 million as of December 31, 2020 and 2021, respectively, have been reclassified from "Provisions for contingencies and charges" to "Tax and payroll liabilities" in the 2021 French GAAP Audited Consolidated Financial Statements. This reclassification has also been applied to the comparative figures for the year ended December 31, 2020 presented in the 2021 French GAAP Audited Consolidated Financial Statements. This table presents this reclassification in line with the 2021 French GAAP Audited Consolidated Financial Statements and such presentation does not correspond to the presentation in the 2020 Audited Consolidated Financial Statements included elsewhere in these listing particulars.

Selected French GAAP and IFRS cash flow statement data

	Year ended December 31,				Nine months ended September 30,	
	2020	2021	2021	2022	2022	2023
(€ millions)	**French GAAP**	**French GAAP**	**IFRS**	**IFRS**	**IFRS**	**IFRS**
Cash flow from operations	160.4	243.9	301.1	313.9	224.4	257.0
Cash flow from/(used in) investing activities	(188.7)	(193.0)	(253.7)	(638.4)	(435.7)	(272.5)
Cash flow from/(used in) financing activities	114.2	(126.7)	(123.2)	288.7	130.5	8.4
Change in cash and cash equivalents[(1)]	**85.9**	**(75.8)**	**(75.8)**	**(36.0)**	**(81.4)**	**(7.0)**
Cash and cash equivalents at the end of the period[(2)]	**190.1**	**114.3**	**114.3**	**78.3**	**32.9**	**71.1**

(1) Includes effect of exchange rate changes on cash and cash equivalents.

(2) Includes bank overdrafts.

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

The following is a discussion and analysis of the financial condition and results of operations of the Group in the periods set forth below. This discussion should be read in conjunction with "Presentation of financial and other information" and is qualified in its entirety by reference to the Financial Statements and related notes thereto included elsewhere in these listing particulars. The following discussion contains forward-looking statements that reflect our plans, estimates and beliefs, which are based on assumptions we believe to be reasonable. Our actual results could differ materially from those discussed in these forward-looking statements. Factors that could cause or contribute to these differences include those discussed below and elsewhere in these listing particulars, particularly in "Risk factors" and "Forward-looking statements."

Overview

We believe we are the third largest generalist equipment rental player in Europe and the second largest player in our largest market, France, based on rental revenue, serving the construction, civil works, craftspeople, services, industrial and events sectors. We hold leading positions across Europe, where we believe that we are the largest player in Denmark and Portugal, the third largest player in Italy, the fourth largest player in Poland and the fifth largest player in Spain. As of September 30, 2023, we had a network of 595 branches offering a rental fleet that comprises over 265,000 tools and pieces of equipment (excluding accessories) of approximately 1,000 different types to over 400,000 customers across seven countries. We generated Acquisition Adjusted Revenue of €1,196.3 million and Acquisition Adjusted EBITDA of €457.1 million for the twelve months ended September 30, 2023.

We started our business with a focus on tools and light equipment. Over time, we have grown this offering and diversified our offering to provide a wide array of complementary heavy equipment as well as value-adding services, creating a one-stop-shop for both professional customers (business-to-business) and individuals (business-to-consumer) looking for solutions for a variety of projects and construction works.

We generate our revenue from two principal activities: Rental and Services. For the twelve months ended September 30, 2023, €768.4 million, or 64.9%, of our revenue was derived from our Rental activities and €414.9 million, or 35.1%, was derived from our Services activities.

- **Rental activities.** We rent both heavy and light equipment and tools to a diversified customer base including construction and civil work companies, craftspeople, public entities, industrial companies, events companies and, to a lesser extent, individuals. We offer one of the largest catalogues of rental equipment across four product categories: Tools and Light Equipment, Earthmoving, Access and Utility Vehicles, which accounted for 33.6%, 21.1%, 30.8% and 6.2%, respectively, of our French Rental revenue activities in the year ended December 31, 2022. Our Specialist business lines comprise, in all our geographies, seven product categories: Power, Module, Events, Signaling, Fixed Scaffolding, Portable Toilets and Industrial Forklifts.

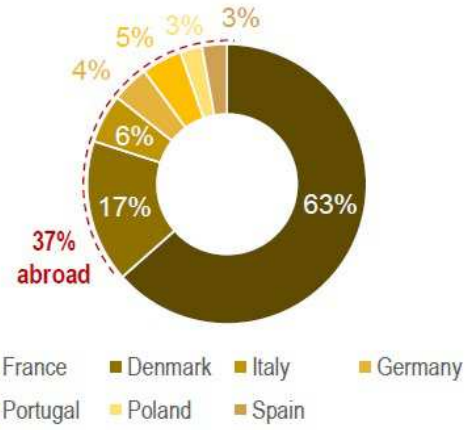
- **Services activities.** We offer services that are directly associated with our Rental activities, as well as other services that cater to our customers' requirements. Our Services activities includes the following activities: transportation and delivery of equipment, sale of consumables (such as ancillary products that are fitted to equipment we rent, as well as cross-sales of other products, such as diamond blades and sandpaper, safety equipment and oil) and spare parts adapted to our equipment rental offering, sale of insurance policies offered to customers in connection with our rental agreements, cleaning and repair services for the maintenance of our equipment, fuel for equipment and vehicles, customer trainings and various other activities such as the sale of products or subrental of equipment. Our two largest Services categories, Transportation and Delivery and Consumables, accounted for 32.4% and 19.1%, respectively, of revenue within our Services activities for the twelve months ended September 30, 2023.

Historically located in Lille, we have progressively expanded our reach into key industrial and populated areas in France, building a dense network of 459 branches covering all regions in which we operate. We also began expanding our business internationally in 2014 with the acquisition of two companies in Poland. As of September 30, 2023, we had 136 branches in Denmark, Italy, Germany, Spain, Poland and Portugal with a total of 595 branches across Europe.

We believe that our dense network in France contributes to strong branch visibility and, ultimately, to strong brand recognition. Our business model is based on a decentralized approach that allows our clusters to have a high degree of autonomy and responsibility. Cluster and branch managers have a solid knowledge of their local markets and are in a strong position to build long-lasting relationships with local customers, which we believe enable them to react quickly, efficiently and precisely to their specific geographic markets. We intend to continue to apply the same business model to the other countries in which we operate as we expand our international network.

The chart below shows our Acquisition Adjusted Revenue by geography for the twelve months ended September 30, 2023.

Total Acquisition Adjusted Revenue by geography
for the twelve months ended September 30, 2023



We estimate that we own the third largest equipment rental fleet in Europe in terms of gross book value, with a gross book value of €2.1 billion as of September 30, 2023 (excluding IFRS 16 leases), out of which 40% are assets financed by leasing. We have historically heavily invested in our operations to modernize our equipment fleet and improve our service offering, which we believe has positioned us well to capture future market growth, driven by increasing customer preference for renting rather than owning equipment, as well as increasing our favorable penetration rates in our geographic markets. As of December 31, 2022, our young equipment fleet within our French Generalist business line had an estimated weighted average age of 4.9 years (compared to 5.3 years in 2016) and an estimated weighted average useful life of over 10 years. Offering a relatively new fleet allows us not only to provide our customers with modern and well-functioning equipment but also to better manage our repair and maintenance costs. We believe that the high quality of our equipment fleet is highly regarded by our customers.

We offer innovative solutions to accommodate our customers' changing needs, which cannot be easily replicated by smaller competitors. Our innovative solutions include:

- **KARE**, our portable safety equipment offering tailored to increase worker safety on construction sites. It includes connected and intelligent safety vests equipped with an anti-collision system designed to prevent collisions between pedestrian employees and machines, as well as ergonomic support equipment such as ergo-skeletons and zero-gravity arms, which are wearable devices that assist operators in lifting small heavy objects. KARE received the 2023 Innovation award for *Safety on Worksite Production* at the Preventica Paris fair;

- **YOUSE**, our pioneering digital solution designed to facilitate the sharing and secure management of equipment fleets between in-house workers and service providers on the same construction site. As such, it reduces customers' rental costs, worksite inefficiencies and carbon emissions. Together with KARE, YOUSE received the 2023 Best Innovation award among French rental companies from BTP Magazine and Groupe Cayola; and

- **Integrated Online Experience**, our digital initiative which aims to streamline our customers' experience through our websites and applications. This enables customers to effortlessly view their invoices, manage their rented equipment and access real-time telematics information about their equipment usage. Designed for ease and efficiency, our integrated approach enhances customer interaction through our e-commerce platforms. In particular, our new French e-commerce platform, which we released in early 2023, has earned three prizes: the Best Online + Offline Purchasing Experience by LSA magazine, the Design & User Experience silver award and public award at the e-commerce trophies event and the Best Lead Generation Funnel awarded by Content Square In addition, in recognition of our strong digital outreach strategy, we received the Digital External Communication Silver Award by Top-Com.

We also invest in solutions consistent with our commitment to sustainability and are working on pilot projects that are expected to reduce indirect emissions from our activities. We are accelerating the replacement of our fleet of heavy vehicles and vans used to deliver equipment with alternative-energy vehicles (fueled by liquefied natural gas or compressed natural gas) and transitioning to alternative-energy equipment. We are also continuing our branch renovation construction program and launching a range of more than 3,500 alternative energy equipment types to help construction and public works customers transition to a low-carbon policy.

We believe that the size and density of our network, our large and well-diversified customer base and the quality of our fleet constitute key competitive advantages that enable us to gain market share and increase the efficiency of our operations, as well as to secure repeat business. These competitive advantages and the attractive underlying fundamentals of the equipment rental industry have enabled us to deliver strong financial performance historically, with our revenue growing at a compound annual growth rate ("**CAGR**") of 10.3% between 2005 and the twelve months ended September 30, 2023.

Key factors affecting results of operations

Our results of operations have been, and may continue to be, affected by the key factors set forth below as well as other factors, many of which are beyond our control. For trends affecting our business and the markets in which we operate, see also "*Risk factors*," "*Industry*" and "*Business*."

General market conditions, seasonality and cyclicality

Our performance is impacted by the global and European macroeconomic environment, the stability of the global credit markets and general economic conditions in our customers' end-markets, which impact our customers' demand for our products and services, with particular exposure to such conditions in France. During economic downturns, certain of our customers (in particular, small and medium enterprises and individuals) can often cut spending or be more likely to go out of business. Conversely, improving economic conditions tend to be correlated with an increase in demand for our products and services. Demand for our products and services is correlated to the general economy and conditions in our markets and industries.

Conditions in the markets in which our customers operate have an impact on both the utilization rate of our equipment and on prices. Subject to certain contractual arrangements and framework agreements entered into with certain of our customers, as demand increases, utilization follows and we can then 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 seasonality 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 during extended periods of inclement weather and in the winter while increasing during extended periods of mild weather and in the summer. We seek to manage the impact of medium and long-term trends through the adjustment of our capital expenditures, increases or decreases in sales of our equipment, and the management of our branch network.

During the year ended December 31, 2020, almost all of the Group's business operations were adversely impacted by the Covid-19 pandemic. Results differed by country depending on the severity of the government restrictions imposed and the severity of the pandemic. The decrease in our level of activity, in line with the decrease in market activity, was the sharpest in France, Italy and Spain, where strict lockdown measures were imposed. Our branches remained open in Poland and Germany.

The pandemic had a significant adverse effect in particular on the French Specialist business line. As the entire events industry came to a halt, demand for our Kiloutou events product category (which has historically accounted for less than 1% of our revenue) sharply contracted. The modular buildings business also shut down with the closure of building sites and Kiloutou Power's activities slowed down considerably.

We deployed the following measures to mitigate the effects of the pandemic on the Group:

- We rapidly reduced our growth capital expenditures to preserve cash on hand. Purchases of rental equipment decreased significantly by €61.2 million for the year ended December 31, 2020, driven by a significant reduction in rental equipment purchases. This strategy generated an increase in unlevered free cash flow despite the decline in performance and strengthened our cash position by €85.9 million (corresponding to a change in cash and cash equivalents from December 31, 2019 to December 31, 2020), to €190.1 million in cash and cash equivalents as of December 31, 2020.
- We entered into the €125.0 million PGE Loan in July 2020, €100.0 million of which we repaid by September 30, 2023. We also made drawings in full, which we have since repaid, under our Revolving Credit Facility. As of September 30, 2023, we had €120.0 million of available capacity under our Revolving Credit Facility.
- We entered into €82.1 million of equipment sale and leaseback transactions to provide for liquidity and flexibility in light of rapidly changing demand.

- We drastically reduced our overhead and discretionary costs. Total payroll costs decreased by €27.3 million and general administration costs, consisting of cost of overhead, rental and advertising, decreased by €0.4 million compared to the year prior.

The impact of the Covid-19 pandemic on our reported revenue and EBITDA for the year ended December 31, 2020 was an estimated €92.0 million and €44.0 million, respectively, as a result of the shutdown of a majority of our business during the periods of lockdown between March and May 2020. This estimated impact is based on a comparison against the prior year. We did not recognize any material provisions for impairment resulting from these events.

In spite of strong macro-economic headwinds caused by the Covid-19 pandemic, the equipment rental market in the countries where we operate has historically been expanding with stronger and longer growth periods than the construction market, and with downturns typically followed by periods of strong recovery. The trajectory of the equipment rental market is generally closely tied to that of the construction market, which, after a sharp decrease in 2020 related to the Covid-19 pandemic, has rebounded, benefiting from households savings, low interest rates and a relaunch of governmental construction projects. The Russian invasion of Ukraine initially put into doubt Western Europe's energy supply, particularly in countries that are dependent on imported fossil fuels, while in France, there is uncertainty surrounding nuclear plant shutdowns for maintenance, leading to a highly uncertain energy environment that could have an effect on the construction industry in the countries where we operate.

Acquisitions

We have historically expanded our operations through prudent, mostly small- to medium-sized bolt-on acquisitions, thereby expanding our network and, as a result, our revenue stream. Our results of operations during the periods under review have been affected by such acquisitions, which may make it more difficult for investors to evaluate the historical performance of our business by comparing period-over-period results. 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. Acquisition spending for the nine months ended September 30, 2023 amounted to €16.0 million (corresponding to the acquisitions of Bernard Location and Uka Hauke Arbeitsbünhen), compared to €282.4 million spent on acquisitions during the comparable prior year period. These acquisitions were financed through a mix of debt instruments and cash available.

Many of the acquisitions we completed in recent years were aimed at increasing the density of our network in our existing markets, diversifying into specific business sectors and end-markets and enhancing our geographic coverage. Most of our acquisitions during the periods under review have been revenue and EBITDA accretive within limited turnaround time, while some have required greater management time and resources to complete their turnaround.

Acquisitions impact our financial position and results of operations in a variety of ways. First, our results for the period during which an acquisition takes place are affected by the inclusion of the results of the acquired business in our consolidated results. As acquired businesses are included in our consolidation perimeter from the date of completion of each relevant acquisition, their full impact is only reflected in our financial statements in the subsequent period. Furthermore, acquisitions may result in the addition of new branches and the closure of existing ones as we seek to optimize our fleet management and streamline our operations, which can have a significant impact on our revenue from one period to the next. In addition, costs directly incurred in connection with acquisitions are accounted for as goodwill in our financial statements and do not appear in our income statement. From a financial position, upon the completion of an acquisition, the purchase price is allocated to the tangible and intangible assets of the target and liabilities assumed based on the fair value as of such date. Excess purchase price over these allocations is recorded as goodwill, which is not amortized for accounting purposes but is subject to testing for impairment.

Capital expenditures and equipment disposals

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. Maintenance capital expenditures (which represents purchases of rental equipment to replace our disposed fleet) have been stable at around 15% of revenue for the three years ended December 31, 2022. In contrast, 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. 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). When anticipating future changes in demand, we must also account for possible delivery delays by our equipment suppliers, which have increased in the recent period and have added uncertainty to our decision-making.

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. For example, when faced with more challenging market conditions in 2020 as a result of the Covid-19 pandemic, we were able to significantly reduce our purchases of rental equipment to €116.2 million, or 14.7% of our revenue, in 2021 and €127.8 million, or 19.8% of our revenue, in 2020, compared with €192.2 million, or 26.1% of our revenue, in 2019.

We finance our fleet capital expenditures with cash or finance leases. These equipment financing contracts generally have a duration of five years. As of September 30, 2023, our fleet had a gross book value of €2.1 billion (excluding IFRS 16 leases), out of which 40% are assets financed by leasing.

The allocation of investments in our rental fleet is determined by the type of equipment and the requirements of our clusters and branches.

Fixed cost structure

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 costs of materials and logistics as well as certain personnel charges and real estate rent. Some of our operating expenses, such as real estate rent, may be linked to indices, including the Consumer Price Index, which may increase due to inflation.

The management of our costs is an important factor in our results of operations and cash flow. To the extent possible we seek to deploy our fleet efficiently across our network to respond to increases and decreases in demand rather than renting out additional equipment from third parties to then rent it out to our customers or duplicating investments in the same piece of equipment in different geographies, which would eventually lead to over-capacity. We also monitor on a regular basis our general administration costs. For example, when faced with more challenging market conditions in 2020 as a result of the Covid-19 pandemic, we drastically reduced our overhead and discretionary costs. Total payroll costs decreased by €27.3 million and general administration costs, consisting of cost of overhead, rental and advertising, decreased by €0.4 million compared to the year prior.

Currency effects

Euro is the functional currency of our Financial Statements. However, we carry out operations in currencies other than the euro, principally in Polish zloty (corresponding to our Polish subsidiary, which generated 3% of revenue for the year ended December 31, 2022) and Danish kroner as a result of the GSV Acquisition. Our results of operations are therefore impacted by fluctuations in exchange rates. Our primary exposure to fluctuations in exchange rates is for the revenue received in these currencies. Income and expense items of subsidiaries located outside the euro zone are translated at average exchange rates for the year. Balance sheet items are translated at the closing rate at the balance sheet date and all resulting exchange differences are recognized in a separate line in equity.

Factors affecting comparability of results

The following are certain factors that have affected, and may continue to affect, the comparability of our results of operations, financial condition and liquidity in the periods discussed in these listing particulars.

Application of IFRS

Our first IFRS consolidated financial statements are for the financial year 2021, with a first-time application date as of January 1, 2020. In connection with the adoption of IFRS, we elected, in accordance with IFRS 1, to prepare consolidated financial statements as of and for the year ended December 31, 2021 in accordance with IFRS to facilitate the understanding of our financial condition and results of operations across the periods under audit or review and in order to provide accounting and financial data that is more comparable to financial information published by our peers. No financial statements as of and for the nine months ended September 30, 2022 or September 30, 2023 or the year ended December 30, 2022 prepared in accordance with French GAAP have been included or discussed in these listing particulars. As French GAAP differs in significant respects from IFRS, the adoption of IFRS greatly reduces the comparability of the IFRS Consolidated Financial Statements with the French GAAP Audited Consolidated Financial Statements. Prospective

investors are advised to consult their professional advisors for an understanding of: (i) the differences between French GAAP, IFRS and other systems of generally accepted accounting principles and how those differences might affect the financial information included in these listing particulars; and (ii) the impact that future additions to, or amendments of, IFRS may have on the financial information presented in these listing particulars, results of operations and/or financial condition, as well as on the comparability of prior periods. For a discussion of certain differences between French GAAP and IFRS as applied by us, see "*Management's discussion and analysis of financial condition and results of operations—Certain differences between French GAAP and IFRS*." See also "*Risk factors—Risks related to our financial condition—Our current financial statements are prepared in accordance with IFRS and are not comparable with our prior financial statements prepared in accordance with French GAAP."*

Constant perimeter information

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.

In order to adjust for the changes in our business as a result of our recent acquisitions and to ease comparability of certain information between periods, we present certain information in these listing particulars on a constant perimeter basis, excluding changes in the scope of consolidation of the Group.

The information provided on a constant perimeter basis for the nine months ended September 30, 2023 excludes:

- 2 months of activity in 2023 of Uka Hauke Arbeitsbünhen, which was acquired on July 31, 2023;
- 6 months of activity in 2023 of Bernard Location, which was acquired on April 1, 2023;
- 9 months of activity in 2023 of Jamart Location, which was acquired on December 8, 2022;
- 9 months of activity in 2023 of Aerotecnica, which was acquired on December 6, 2022;
- 9 months of activity in 2023 of Grupo Vendap and Crucial Meridien Alugatudo, which were acquired on November 2, 2022;
- 8 months of activity in 2023 of Holbæk Lift, which was acquired on August 31, 2022; and
- 3 months of activity in 2023 of GSV, which was acquired on April 7, 2022.

The information provided on a constant perimeter basis for the year ended December 31, 2022 excludes:

- 1 month of activity in 2022 of Jamart Location, which was acquired on December 8, 2022;
- 1 month of activity in 2022 of Aerotecnica, which was acquired on December 6, 2022;
- 2 months of activity in 2022 of Grupo Vendap and Crucial Meridian, which were acquired on November 2, 2022;
- 4 months of activity in 2022 of Holbæk Lift, which was acquired on August 31, 2022;
- 9 months of activity in 2022 of GSV, which was acquired on April 7, 2022;
- 11 months of activity in 2022 of AB Matériels, a French generalist acquired on December 21, 2021;
- 11 months of activity in 2022 of Almaq, a Spanish business acquired on December 1, 2021;
- 6 months of activity in 2022 of Diaz Miquelez and Diaz Miquelez Montajes, two Spanish businesses acquired on July 1, 2021;
- 6 months of activity in 2022 of Salmat and Jean-Bart-Location, two French generalists acquired on July 1, 2021; and
- 4 months of activity in 2022 of La Centrale de Location, a French generalist acquired on May 4, 2021.

The information provided on a constant perimeter basis for the year ended December 31, 2021 excludes:

- 1 month of activity in 2021 of AB Matériels, which was acquired on December 21, 2021;
- 1 month of activity in 2021 of Almaq, which was acquired on December 1, 2021;
- 6 months of activity in 2021 of Diaz Miquelez and Diaz Miquelez Montajes, which were acquired on July 1, 2021;
- 6 months of activity in 2021 of Salmat and Jean-Bart-Location, which were acquired on July 1, 2021;
- 8 months of activity in 2021 of La Centrale de Location, which was acquired on May 4, 2021;
- 11 months of activity in 2021 of MC Location, a French specialist acquired on December 16, 2020;

- 6 months of activity in 2021 of Wiesecker Werkzeugvermietung, a German business acquired on July 1, 2020; and
- 2 months of activity in 2021 of Locamodul and Samlloc Modulaire, two French specialists acquired on February 18, 2020.

The independent statutory auditors of the Group have not audited or reviewed information provided on a constant perimeter basis for purposes of its inclusion herein. Such information is based on a number of assumptions that are subject to inherent uncertainties and you are strongly cautioned against placing undue reliance thereon.

Recent acquisitions

The historical financial information presented in these listing particulars is affected by the acquisitions that have changed our scope of consolidation and may make it more difficult for investors to evaluate the historical performance of our business.

The results of operations for the nine months ended September 30, 2023 include, in comparison with the results of operations for the nine months ended September 30, 2022:

- 3 months of activity in 2023 of GSV, which was acquired on April 7, 2022;
- 8 months of activity in 2023 of Holbæk Lift, which was acquired on August 31, 2022;
- 9 months of activity of Aerotecnica, an Italian rental company acquired on December 6, 2022;
- 9 months of activity of Jamart Location, a French Module rental company acquired on December 8, 2022;
- 6 months of activity of Bernard Location, a branch in Oyonnax rental company in France acquired on April 1, 2023; and
- 2 months of activity of Uka Hauke Arbeitsbünhen, an Access specialist operating in Germany acquired on July 31 2023.

The 2022 Audited Consolidated Financial Statements include, in comparison with 2021 Audited Consolidated Financial Statements:

- 4 months of activity in 2022 of La Centrale de Location, a French generalist acquired on May 4, 2021;
- 6 months of activity in 2022 of Salmat and Jean-Bart-Location, two French generalists acquired on July 1, 2021;
- 6 months of activity in 2022 of Diaz Miquelez and Diaz Miquelez Montajes, two Spanish businesses acquired on July 1, 2021;
- 11 months of activity in 2022 of Almaq, a Spanish business acquired on December 1, 2021;
- 11 months of activity in 2022 of AB Matériels, a French generalist acquired on December 21, 2021;
- 9 months of activity of GSV, a Danish generalist rental company acquired on April 7, 2022;
- 4 months of activity of Holbæk Lift, a Danish generalist rental company acquired on August 31, 2022;
- 2 months of activity of Grupo Vendap and Crucial Meridian, two generalist rental companies acquired on November 2, 2022;
- 1 month of activity of Aerotecnica, a Italian rental company acquired on December 6, 2022; and
- 1 month of activity of Jamart Location, a French Module rental company acquired on December 8, 2022.

The 2021 Audited Consolidated Financial Statements include, in comparison with 2020 Audited Consolidated Financial Statements:

- 2 months of activity in 2021 of Locamodul and Samlloc Modulaire, two French specialists acquired on February 18, 2020;
- 6 months of activity in 2021 of Wiesecker Werkzeugvermietung, a German business acquired on July 1, 2020;
- 12 months of activity of MC Location, a French specialist acquired on December 16, 2020, compared to less than 1 month in 2020;
- 8 months of activity of La Centrale de Location, a French generalist acquired on May 4, 2021;
- 6 months of activity of Salmat and Jean-Bart-Location, two French generalists acquired on July 1, 2021;

- 6 months of activity of Diaz Miquelez and Diaz Miquelez Montajes, two Spanish businesses acquired on July 1, 2021;
- 1 month of activity of Almaq, a Spanish business acquired on December 1, 2021; and
- 1 month of activity of AB Matériels, a French generalist acquired on December 21, 2021.

Change in accounting standards – French GAAP

During the periods under review in these listing particulars, we have adopted certain French GAAP accounting standards that may have an impact on the comparability of the French GAAP financial information presented herein. This includes the application of the new regulation ANC 2020-01 referred to in Note 3.2 to the 2021 French GAAP Audited Consolidated Financial Statements. This change in accounting method has been applied prospectively and has no significant impact on the 2021 French GAAP Audited Consolidated Financial Statements, except for a change in the presentation of the balance sheet and the income statement, and a change in the accounting treatment of retirement benefit obligations to be presented according to the actuarial method known as "projected unit credit" with an estimate of end-of-career salaries.

The application of the new ANC 2020-01 regulation also changes the presentation of certain balance sheet and income statement line items as of and for the year ended December 31, 2020 disclosed in the 2021 French GAAP Audited Consolidated Financial Statements. As a result, our 2020 Audited Consolidated Financial Statements, as included elsewhere in these listing particulars may not be directly comparable as to presentation with the financial information disclosed in the 2021 French GAAP Audited Consolidated Financial Statements. As a result of the application of ANC 2020-01, we have made the following reclassifications in the 2021 French GAAP Financial Statements:

- "Financial expenses" have been reclassified as non-operating expenses in the 2021 French GAAP Audited Consolidated Financial Statements. "Financial expenses" for the years ended December 31, 2020 and 2021 have been presented in line with the 2021 French GAAP Audited Consolidated Financial Statements and such presentation does not correspond to the presentation in the 2020 Audited Consolidated Financial Statements included elsewhere in these listing particulars; and
- Deferred tax liabilities amounting to €46.3 million and €41.6 million as of December 31, 2020 and 2021, respectively, have been reclassified from "Provisions for contingencies and charges" to "Tax and payroll liabilities" in the 2021 French GAAP Audited Consolidated Financial Statements. This reclassification has also been applied to the comparative figures for the year ended December 31, 2020 presented in the 2021 French GAAP Audited Consolidated Financial Statements. These listing particulars present this reclassification in line with the 2021 French GAAP Audited Consolidated Financial Statements and such presentation does not correspond to the presentation in the 2020 Audited Consolidated Financial Statements included elsewhere in these listing particulars.

Change in accounting standards – IFRS

IFRS 1 – First-time Adoption of IFRS has been applied to all periods presented as from the transition date, *i.e.* January 1, 2020.

In preparing the consolidated financial statements, the Group did not early adopt any issued amendments, new standards or interpretations that have been adopted by the European Union but which are not mandatory for the year ended December 31, 2021. The Group does not expect these new standards, amendments or interpretations to have a material impact on its consolidated financial statements in future reporting periods. The new standards, amendments and interpretations whose application is mandatory as from January 1, 2022 are as follows:

- Amendments to IFRS 3 – Reference to the Conceptual Framework
- Amendments to IAS 16 – Property, Plant and Equipment – Proceeds before Intended Use
- Amendments to IAS 37 – Onerous Contracts – Cost of Fulfilling a Contract
- Annual Improvements 2018-2020 Cycle Amendments to IFRS 1, IFRS 9, IAS 41 and IFRS 16.

Key performance indicators

We consider revenue and EBITDA to be key measures in analyzing our business. EBITDA is a Non-GAAP Measure, but we believe that it and similar measures are widely used by certain investors as supplemental measures of performance and liquidity. See "*Presentation of financial and other information—Non-GAAP financial measures*" and "*—Liquidity and capital resources*." We present financial information by activity: Rental and Services. Our activity is split into three business units: General and Specialist in France and International covering our activities in Poland, Spain, Germany, Italy,

Denmark and Portugal. Our Services activities have six business lines (Transportation and delivery, Consumables, Insurance, Cleaning and repair, Training, Sub-rentals and Other services).

The following table sets out key figures in each of the Rental and Services activities for the years ended December 31, 2020, 2021 and 2022 and the nine months ended September 30, 2022 and 2023.

	Year ended December 31,				Nine months ended September 30,	
	2020	2021	2021	2022	2022	2023
(€ millions)	**French GAAP**	**French GAAP**	**IFRS**	**IFRS**	**IFRS**	**IFRS**
Revenue by activity						
Rental	456.9	555.7	555.7	672.2	490.6	586.8
Services	189.2	237.2	237.2	345.5	239.6	308.8
Transportation and delivery	*73.8*	*91.6*	*91.6*	*113.7*	*81.6*	*100.5*
Consumables	*49.4*	*62.6*	*62.6*	*72.6*	*52.6*	*58.1*
Insurance	*30.5*	*37.1*	*37.1*	*46.4*	*33.6*	*39.0*
Cleaning and repair	*20.8*	*27.7*	*27.7*	*69.8*	*41.2*	*73.3*
Subrentals	*14.5*	*17.6*	*17.6*	*40.6*	*28.6*	*35.9*
Training	*1.7*	*2.9*	*2.9*	*3.3*	*2.4*	*3.0*
Other services	*(1.6)*	*(2.3)*	*(2.3)*	*(0.9)*	*(0.6)*	*(1.0)*
Revenue	**646.1**	**792.9**	**792.9**	**1,017.7**	**730.2**	**895.7**

The following table sets out key figures in each of the countries in which we operate for the years ended December 31, 2020, 2021 and 2022 and the nine months ended September 30, 2022 and 2023.

	Year ended December 31,				Nine months ended September 30,	
	2020	2021	2021	2022	2022	2023
(€ millions)	**French GAAP**	**French GAAP**	**IFRS**	**IFRS**	**IFRS**	**IFRS**
Revenue by geography						
France	523.8	648.7	648.7	702.9	517.2	565.3
France Generalist	*479.2*	*588.8*	588.8	633.2	*467.8*	500.4
France Specialist	*44.6*	*59.9*	59.9	69.7	*49.4*	64.8
International	122.4	144.2	144.2	314.8	213.0	330.4
Poland	*20.8*	*25.3*	*25.3*	*29.3*	*21.8*	22.2
Germany	*37.5*	*41.4*	*41.4*	*45.8*	*33.2*	38.3
Italy	*46.7*	*55.9*	*55.9*	*59.9*	*43.2*	50.2
Spain	*17.4*	*21.7*	*21.7*	*30.8*	*22.8*	26.1
Denmark	—	—	—	*140.8*	*92.0*	146.5
Portugal	—	—	—	*8.2*	—	47.1
Revenue	**646.1**	**792.9**	**792.9**	**1,017.7**	**730.2**	**895.7**

The following table sets out EBITDA and EBITDA margin by geography for the years ended December 31, 2020, 2021 and 2022 and the nine months ended September 30, 2022 and 2023. We define EBITDA margin as EBITDA as a percentage of the corresponding revenue for the relevant period.

	Year ended December 31,				Nine months ended September 30,	
	2020	2021	2021	2022	2022	2023
(€ millions)	**French GAAP**	**French GAAP**	**IFRS**	**IFRS**	**IFRS**	**IFRS**
EBITDA by geography						
France[(a)]	*156.6*	*202.8*	*258.7*	*269.8*	*190.2*	*219.5*
International	*44.9*	*55.1*	*62.3*	*111.0*	*76.2*	*119.1*
Total EBITDA	**201.6**	**257.9**	**319.5**	**378.7**	**264.9**	**337.5**
EBITDA Margin%	**31.2%**	**32.5%**	**40.3%**	**37.2%**	**36.3%**	**37.7%**
France	*29.9%*	*31.3%*	*39.9%*	*38.4%*	*36.8%*	*38.8%*
International	*36.7%*	*38.2%*	*43.2%*	*35.3%*	*35.8%*	*36.0%*

(a) Includes the impact on EBITDA of certain holding costs of the Issuer, which amounted to €(1.3) million and €(1.5) million for the years ended December 31, 2020 and 2021 (French GAAP), and excludes €(2.1) million, €(1.5) million, €(1.2) million and €(1.8) million of holding costs for the year ended December 31, 2022 (IFRS) and the nine months ended September 30, 2022 and September 30, 2023 and the twelve months ended September 30, 2023 (IFRS).

Key income statement items

The following is a summary description of certain line items from our income statement presented in IFRS and French GAAP. For more information see "—*Critical accounting policies and estimates*" and the notes to the Financial Statements.

IFRS

- *Revenue* includes the fees paid by customers to rent equipment and to benefit from services.
- *Other operating income* includes the sales of used equipment on the second hand market.
- *Equipment and logistics costs* are composed of costs associated with maintenance of equipment, purchase of goods sold and transports and delivery costs.
- *Payroll costs* include costs linked with our employees such as salary, bonuses and other expenses.
- *Head office overheads and network expenses* include advertising costs, IT costs, energy and other general and advertising costs.
- *Depreciation, amortization and impairment* includes amortization of assets, amortization of fair value adjustment to intangible assets and amortization of right of use under IFRS 16.
- *Other recurring income and expenses* are mainly composed of bad debt.
- *Non-recurring operating income and expenses* relate to specific and non-recurring events that happened during the period.
- *Net financial expense* relates to financial expenses on notes, hedging instruments and other loans contracted at the Group level.
- *Income tax expense* relates to other corporate income tax and CVAE. As of December 31, 2022, the corporate tax rate in France was 25.82% excluding CVAE (value added tax). We are also subject to tax rates in the other countries in which we operate, which ranged from 19% to 27% as of the same date.
- *EBITDA* relates to profit/(loss) for the relevant period before income tax expense, net financial expense, non-recurring operating income and expenses, depreciation, amortization and impairment, share-based payments (IFRS 2) and additions to provisions for post-employment benefit obligations.

French GAAP

- *Revenue from rentals* includes the fees paid by customers to rent equipment.
- *Services revenue* includes the fees paid by customers for services in connection with equipment rentals such as transportation, fuel, damage waivers and the cost of repair and maintenance services charged back to our customers.
- *Net gains/(losses) on equipment sales* principally includes profits or losses realized from the sale of used equipment.

- *Maintenance costs* include the cost of maintenance of our equipment.
- *Ownership costs* include depreciation on fleet equipment (whether owned or leased under finance leases) and equipment costs incurred under our operating leases.
- *Logistics costs* include the costs of transporting equipment between branches and to customer sites.
- *Other costs* include other operating costs that are not accounted for as maintenance, holding or logistics costs.
- *Gross salaries and paid vacation provisions* relate primarily to the salaries and vacation days to be paid to employees.
- *Payroll taxes and training levy* relates to social security charges and training levies (*taxe d'apprentissage*).
- *Performance bonus* relates to bonus paid to employees upon reaching certain performance targets including with respect to profitability and quality.
- *Other expenses* relate to other operating expenses such as temporary staff and termination costs.
- *Advertising costs* relate to publicity, media and advertising costs.
- *Overheads* relate to general administration expenses and leasing of certain equipment such as vehicles.
- *Rental costs* relate to the cost of renting premises for our branches.
- *Net expense for doubtful receivables* includes losses on bad debts net of change in provisions on customer accounts.
- *Financial expenses* comprises interest charges on bank loans and hedging expenses and depreciation.
- *Other operating income* relates to proceeds from the sale of other assets, reversal of provision on risk and other charges.
- *Extraordinary income and expenses* 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.
- *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.
- *Amortization of fair value adjustments to intangible assets* principally includes depreciation of intangible assets qualified as such (customer relationships) following a purchase price allocation exercise.

Results of Operations

The table below sets out our income statements for the years ended December 31, 2021 and 2022 and the nine months ended September 30, 2022 and 2023 on an IFRS basis, which results are further discussed below.

	Year ended December 31,		Nine months ended September 30,	
	2021	2022	2022	2023
	IFRS			
(€ millions)				
Revenue	792.9	1,017.7	730.2	895.7
Other operating income	35.8	35.3	20.6	32.6
Equipment and logistics costs	(175.6)	(275.2)	(196.4)	(233.6)
Payroll costs	(252.3)	(301.6)	(215.9)	(261.1)
Head office overheads and network expenses	(83.8)	(98.7)	(73.5)	(91.7)
Depreciation, amortization and impairment	(238.7)	(288.2)	(201.6)	(248.2)
Other recurring income and expenses	0.5	(0.9)	(1.6)	(5.6)
Recurring operating profit	**78.8**	**88.6**	**61.9**	**88.1**
Non-recurring operating income and expenses	(0.8)	(7.2)	(3.7)	(3.2)
Operating profit	**78.0**	**81.3**	**58.1**	**84.9**
Net financial expense	(52.2)	(38.0)	(17.0)	(80.1)
Income tax expense	(12.5)	(19.5)	(13.8)	(8.7)
Profit/(loss) for the period	**13.4**	**23.9**	**27.4**	**(3.8)**

The table below sets out our income statements for the years ended December 31, 2020 and 2021 on a French GAAP basis, which results are further discussed below.

	Year ended December 31,	
	2020[a]	2021
	Restated French GAAP	
(€ millions)		
Revenue from rentals	456.9	555.7
Revenue from services and sub-leases	189.2	237.2
Revenue	**646.1**	**792.9**
Net gains/(losses) on equipment sales	(28.3)	(30.5)
Maintenance costs	50.6	62.5
Ownership costs	162.4	167.1
Logistics costs	50.5	62.0
Other costs	42.5	52.4
Total equipment and logistics costs	**277.6**	**313.4**
Gross profit	**368.5**	**479.5**
Gross salaries and paid vacation provisions	136.4	157.3
Payroll taxes and training levy	48.6	56.9
Performance bonuses	9.3	19.5
Other expenses	8.5	17.1
Total payroll costs	**202.8**	**250.7**
Advertising costs	5.5	6.1
Overheads	61.5	69.3
Rental costs	58.6	63.7
Net expense for doubtful receivables	3.1	1.4
Other operating (income)/expenses, net	(0.6)	(2.7)
Net income from ordinary activities	**37.6**	**91.1**
Financial expenses[b]	59.8	54.6
Extraordinary income (−) and expenses (+)	1.8	1.2
Income tax	3.3	11.0
Amortization of fair value adjustments to intangible assets	14.7	14.7
Net income for the period before minority interests	**(42.0)**	**9.6**
Net income for the period attributable to minority interests	0.0	0.0
Net income for the period attributable to owners of the parent	**(42.0)**	**9.6**
EBITDA	**201.6**	**257.9**

[a] During the periods under review in these listing particulars, we have adopted certain French GAAP accounting standards that may have an impact on the comparability of the French GAAP financial information presented herein. This includes the application of the regulation ANC 2020-01 referred to in Note 3.2 to the 2021 French GAAP Audited Consolidated Financial Statements. This change in accounting method has been applied prospectively and has no significant impact on the 2021 French GAAP Audited Consolidated Financial Statements presented in this table, except for a change in the presentation of the balance sheet and the income statement which have been restated for this presentational change.

[b] "Financial expenses" have been reclassified as non-operating expenses in the 2021 French GAAP Audited Consolidated Financial Statements. The change in presentation has also been applied to the comparative figures for the year ended December 31, 2020 presented in the 2021 French GAAP Audited Consolidated Financial Statements. "Financial expenses" for the years ended December 31, 2020 and 2021 have been presented in this table in line with the 2021 French GAAP Audited Consolidated Financial Statements and such presentation does not correspond to the presentation in the 2020 Audited Consolidated Financial Statements included elsewhere in these listing particulars.

Nine months ended September 30, 2023 compared to the nine months ended September 30, 2022 (IFRS)

Revenue

Our revenue increased by 22.7%, or 7.1% on a constant perimeter basis, to €895.7 million for the nine months ended September 30, 2023 from €730.2 million for the nine months ended September 30, 2022. This revenue growth was driven by both acquisitions (mainly the Grupo Vendap Acquisition) and organic growth (7.1% during the period on a constant perimeter basis). Organic growth during the period was mainly driven by the price increases that we implemented across our geographies to address the impact of inflation.

Revenue from our French operations increased by 9.3%, to €565.3 million for the nine months ended September 30, 2023 from €517.2 million (7.0% on a constant perimeter basis) for the nine months ended September 30, 2022, which was mainly driven by price increases that we implemented across our geographies to address the impact of inflation. Revenue generated from our French Specialist business unit increased by 31.2% for the nine months ended September 30, 2023 (which represents 10.1% growth on a constant perimeter basis), while revenue generated from our French Generalist business unit

increased by 7.0% for the nine months ended September 30, 2023 (which represents 6.7% growth on a constant perimeter basis).

Revenue generated by our International operations increased by 55.1% (7.1% on a constant perimeter basis), to €330.4 million for the nine months ended September 30, 2023 from €213.0 million for the nine months ended September 30, 2022, mainly due to the Grupo Vendap Acquisition. The increase on a constant perimeter basis was mainly driven by our Spanish and German operations.

For the nine months ended September 30, 2023, revenue from our French operations and International operations represented 63.1% and 36.9% of our revenue, respectively.

Revenue from rentals increased by €96.2 million, or 19.6%, and revenue from services increased by €69.2 million, or 28.9%, for the nine months ended September 30, 2023.

Other operating income

Our other operating income increased by 58.3%, to €32.6 million for the nine months ended September 30, 2023 from €20.6 million for the nine months ended September 30, 2022. This growth was driven by higher volumes of sales of used equipment in the second hand market due to a catch-up effect after a year of lower volumes in 2022 due to delays in capital expenditure delivery and to management of our fleet by selling old equipment with lower utilization rates, while average prices slightly decreased due to both mix effects on equipment types and market trends.

Equipment and logistics costs

Our equipment and logistics costs increased by 19.0%, to €233.6 million for the nine months ended September 30, 2023 from €196.4 million for the nine months ended September 30, 2022. The increase was mainly due to the GSV Acquisition, which increased our services activity, including sub-rentals, as well as to the impact of inflation on maintenance costs. The increase in equipment and logistics costs as a percentage of our revenue was lower than growth of our service revenue, due to price increases we implemented.

Payroll costs

Our payroll costs increased by 21.2%, to €261.1 million for the nine months ended September 30, 2023 from €215.9 million for the nine months ended September 30, 2022, largely due to headcount increases related to acquisitions (particularly in Denmark, where labor costs are higher than France). Our disciplined cost management enabled us to maintain an increase below revenue growth, with payroll costs accounting for 29.2% of revenue for the nine months ended September 30, 2023, compared to 29.5% for the nine months ended September 30, 2022.

Head office overheads and network expenses

Our head office overheads and network expenses increased by 24.8%, to €91.7 million for the nine months ended September 30, 2023 from €73.5 million for the nine months ended September 30, 2022, largely driven by acquisitions. Generally, these costs increased in line with our revenue growth during the nine months ended September 30, 2023.

Depreciation, amortization and impairment

Our depreciation, amortization and impairment increased by 23.1%, to €248.2 million for the nine months ended September 30, 2023 from €201.6 million for the nine months ended September 30, 2022. This increase was primarily the result of acquisitions and the increased size of our fleet following increased capital expenditures in 2022 and 2023.

Other recurring income and expenses

Our other recurring income and expenses increased by €4.0 million, to an expense of €5.6 million for the nine months ended September 30, 2023 from an expense of €1.6 million for the nine months ended September 30, 2022. This amount was mainly due to the increase in net expenses for doubtful receivables in an environment of increased risk of customer insolvency.

Non-recurring operating income and expenses

Our non-recurring operating income and expenses decreased by €0.5 million to €3.2 million for the nine months ended September 30, 2023 from €3.7 million for the nine months ended September 30, 2022, mainly corresponding to one-off write-offs, including internal IT upgrades and severance costs.

Net financial expense

Our net financial expense increased by €63.1 million, to €80.1 million for the nine months ended September 30, 2023 from €17.0 million for the nine months ended September 30, 2022, due to the impact of a mark-to-market hedging instrument that positively impacted our financial costs in 2022.

Income tax expense

Our income tax expense amounted decreased by €5.1 million, to €8.7 million for the nine months ended September 30, 2023 from €13.8 million for the nine months ended September 30, 2022.

EBITDA

EBITDA increased by 27.4% (12.2% on a constant perimeter basis), to €337.5 million for the nine months ended September 30, 2023 from €264.9 million for the nine months ended September 30, 2022, mainly driven by price increase initiatives. In the nine months ended September 30, 2023, EBITDA margin increased to 37.7%, as compared to 36.3% in the nine months ended September 30, 2022.

Year ended December 31, 2022 compared to year ended December 31, 2021 (IFRS)

Revenue

Our revenue increased by 28.4% (6.6% on a constant perimeter basis), to €1,017.7 million for the year ended December 31, 2022 from €792.9 million for the year ended December 31, 2021. Revenue growth was mainly driven by the GSV Acquisition and Grupo Vendap Acquisition. Organic growth during the period was largely driven by the rebound in economic activity in the countries in which we operate, as well as the price increases that we implemented to address inflation.

Revenue grew in all our geographies during the year ended December 31, 2022. In the year ended December 31, 2022, revenue growth in our International operations was 118.3%, due to both the impact of acquisitions and strong organic growth (10.9% on a constant perimeter basis), while revenue in our French operations grew by 8.4% (5.6% on a constant perimeter basis). Revenue from rentals increased by €116.5 million, or 21.0%, and revenue from services increased by €108.3 million, or 45.7% during the year ended December 31, 2022, mainly due to the GSV Acquisition, which offers more services than the rest of the perimeter, in particular with the development of GSV solutions, and to price increases in services to address the impact of inflation.

Other operating income

Our other operating income was almost stable at €35.3 million for the year ended December 31, 2022, as compared to €35.8 million for the year ended December 31, 2021. Despite higher prices driven by a supportive environment and professionalization of the Kiloutou resale department, resales during the year ended December 31, 2022 were limited in volume due to delays in fleet delivery capital expenditures.

Equipment and logistics costs

Our equipment and logistics costs increased by 56.7%, to €275.2 million for the year ended December 31, 2022 from €175.6 million for the year ended December 31, 2021, due to increases in service revenue, in particular in the context of the development of GSV solutions and the impact of inflation on maintenance costs. Equipment and logistic costs as a percentage of revenue increased to 27% in the year ended December 31, 2022, from 22% in the year ended December 31, 2021, mainly due to the growth of the service offering in line with the development of GSV solutions.

Payroll costs

Our payroll costs increased by 19.5%, to €301.6 million for the year ended December 31, 2022 from €252.3 million for the year ended December 31, 2021. This increase was mainly due to the impact of acquisitions. Disciplined cost management enabled us to keep this increase below revenue growth and, as a result, payroll costs as a percentage of revenue decreased to 29.6% in the year ended December 31, 2022 from 31.8% in the year ended December 31, 2021.

Head office overheads and network expenses

Our head office overheads and network expenses increased by 17.8%, to €98.7 million for the year ended December 31, 2022 from €83.8 million for the year ended December 31, 2021. This increase, which was below revenue growth, was primarily driven by acquisitions.

Depreciation, amortization and impairment

Our depreciation, amortization and impairment increased by 20.7%, to €288.2 million for the year ended December 31, 2022 from €238.7 million for the year ended December 31, 2021. This growth was in line with increases to our fleet which were in turn driven by acquisitions.

Other recurring income and expenses

Our other recurring income and expenses amounted to an expense of €0.9 million for the year ended December 31, 2022 compared to income of €0.5 million for the year ended December 31, 2021.

Non-recurring operating income and expenses

Our non-recurring operating income and expenses amounted to an expense of €7.2 million for the year ended December 31, 2022, as compared to an expense of €0.8 million for the year ended December 31, 2021 and mainly corresponded to acquisition fees and costs linked to the GSV Acquisition and Grupo Vendap Acquisition.

Net financial expense

Our net financial expense decreased by 27.2%, to €38.0 million for the year ended December 31, 2022 from €52.2 million for the year ended December 31, 2021, due to positive impacts from changes in our mark-to-market hedging instruments amounting to €43.2 million.

Income tax expense

Our income tax increased by 56%, to €19.5 million for the year ended December 31, 2022 from €12.5 million for the year ended December 31, 2021. This increase was primarily driven by higher profit from our activities.

EBITDA

EBITDA increased by 18.5%, to €378.7 million for the year ended December 31, 2022 from €319.5 million for the year ended December 31, 2021, mainly driven by acquisitions. On a constant perimeter basis, EBITDA grew by 3.3% in the year ended December 31, 2022, fueled by both volume and price increases. EBITDA margin has decreased to 37.2%, as compared to 40.3% in the year ended December 31, 2021 mainly reflecting a mix effect related to the GSV Acquisition and a strong decrease in resales of used equipment.

Year ended December 31, 2021 compared to year ended December 31, 2020 (French GAAP)

Revenue

Our revenue increased by 22.7%, or 18.2% on a constant perimeter basis, to €792.9 million for the year ended December 31, 2021, from €646.1 million for the year ended December 31, 2020. After the decrease in revenue caused by the Covid-19 pandemic in 2020, revenue improved above pre-pandemic levels in 2021, mainly driven by the rebound in economic activity in our countries of operation after the loosening of lockdown restrictions.

Geographically, revenue growth in our countries of operation was in line with the outlook of the local equipment rental market. Between 2020 and 2021, revenue growth in our international operations (11.7%) lagged slightly behind that of France (19.7%) and was weighed down by slower growth in Spain (7.0%) and Germany (-1.4%), in each case on a constant perimeter basis, caused by slower pace of re-opening in Spain and increased competition and management turnover in Germany.

Revenue from rentals increased by €98.8 million, or 21.6%, and revenue from services increased by €48.0 million, or 25.4%, in line with top-line growth across our business in France. The increase in revenue from services is due in part to the cross-selling opportunities generated by the increase in rental activity. As of December 31, 2021, revenue from our Specialist France business unit accounted for 7.6% of our revenue, an increase of 0.7 percentage points from the year prior. This increase was due, in part, to the acquisition of three French specialist companies in 2021.

Net gain on equipment sales

Our net gains on equipment sales increased by 7.7% to €30.5 million for the year ended December 31, 2021, from €28.3 million for the year ended December 31, 2020. This improvement was due to both a higher volume of equipment sold and a higher sales prices-to-gross book value, both of which were driven by a high price environment for second-hand equipment as supply chain disruptions pushed customers to seek second-hand equipment instead.

Maintenance costs

Our maintenance costs increased by 23.7% to €62.5 million for the year ended December 31, 2021, from €50.6 million for the year ended December 31, 2020, due to our increased overall activity in 2021. Despite the pickup in activity, our maintenance costs as a percentage of revenue from rentals remained stable at 11.2% in 2021 compared to 11.1% in 2020.

Ownership costs

Our ownership costs associated with holding our equipment increased by 2.9% to €167.1 million for the year ended December 31, 2021, from €162.4 million for the year ended December 31, 2020. This increase was mainly due to the impact of acquisitions.

Logistics costs

Our logistics costs increased by 22.8% to €62.0 million for the year December 31, 2021, from €50.5 million for the year ended December 31, 2020. This increase was in line with the recovery in our activity levels; in particular, our transport and delivery, which are operating at pre-pandemic levels.

Other costs

Our other costs, corresponding to costs associated with our services, increased by 23.3% to €52.4 million for the year ended December 31, 2021, from €42.5 million for the year ended December 31, 2020. Other costs increased as costs associated with purchases of consumables increased to support our resumed activities.

Gross salaries and paid vacation provisions

Our gross salaries and paid vacation provisions increased by 15.3% to €157.3 million for the year ended December 31, 2021, from €136.4 million for the year ended December 31, 2020. The main drivers of this increase were the lifting of the temporary measures implemented in 2020 to tackle the pandemic (*e.g.*, salary freezes, furlough) which reduced gross salaries and paid vacation provisions.

Payroll taxes and training levy

Our payroll taxes and training levy increased by 17% to €56.9 million for the year ended December 31, 2021, from €48.6 million for the year ended December 31, 2020, in line with increases in salaries and payroll costs.

Performance bonuses

Our performance bonuses increased by 109.7% to €19.5 million for the year ended December 31, 2021, from €9.3 million in the year ended December 31, 2020, as bonuses were awarded in line with the improved financial performance.

Other expenses

Our other expenses increased by 101.2% to €17.1 million in the year ended December 31, 2021, from €8.5 million in the year ended December 31, 2020. This increase was mainly explained by a higher level of profit-sharing under some of our French law-governed employee participation schemes (*Participations*).

Advertising costs

Our advertising costs increased by 10.9% to €6.1 million for the year ended December 31, 2021, from €5.5 million for the year ended December 31, 2020, due to the launch of multiple media campaigns to take advantage of the reopening of construction and the boom in home renovation following the Covid-19 pandemic.

Overheads

Our overheads increased by 12.7% to €69.3 million for the year ended December 31, 2021, from €61.5 million for the year ended December 31, 2020. The increase was mainly due to the resumption of travel and increased spending on IT to support the increased business activity.

Rental costs

Our rental costs increased by 8.7% to €63.7 million for the year ended December 31, 2021 from €58.6 million for the year ended December 31, 2020. The increase was due to the impact of our acquisitions and the continuous improvement to our network.

Net expense for doubtful receivables

Our net expenses for doubtful receivables decreased by 54.8% to €1.4 million for the year ended December 31, 2021, from €3.1 million for the year ended December 31, 2020. The decrease was due to a greater level of cash collection over the year, which resulted in the improvement of our bad debt to revenue ratio from 0.5% to 0.2%.

Financial expenses

Our financial expenses decreased by 8.7% to €54.6 million for the year ended December 31, 2021, from €59.8 million for the year ended December 31, 2020. The slight increase in the prior year was due to drawings under our Revolving Credit Facility during the Covid-19 pandemic.

Other operating income and expenses, net

Our other net operating income increased to €2.7 million for the year ended December 31, 2021, from €0.6 million for the year ended December 31, 2020.

Extraordinary income (−) and expenses (+)

Our extraordinary expenses amounted to €1.2 million for the year ended December 31, 2021. This amount relates to due diligence fees incurred in connection with the Group's acquisitions during the period.

Income tax

Our income tax increased by 233% to €11.0 million for the year ended December 31, 2021, from €3.3 million for the year ended December 31, 2020. This increase was driven by the catch-up of activity impacting our results and our corporate income tax liability.

Amortization of fair value adjustments to intangible assets

Our amortization of fair value adjustments to intangible assets remained stable at €14.7 million across the periods of comparison.

EBITDA

EBITDA increased by 27.9%, or 22.3% on a constant perimeter basis, to €257.9 million for the year ended December 31, 2021, from €201.6 million for the year ended December 31, 2020. This increase was driven by topline growth across our business, which increased revenue and gross profit. As a share of revenue, total equipment and logistics costs decreased by 3.5% to 39.5% for the year ended December 31, 2021, from 43.0% for the year ended December 31, 2020, reflecting the efficacy of our cost management measures. Over the period, EBITDA margins remained consistent in a range of 31% to 33% of revenue.

Liquidity and capital resources

Our primary sources of cash are cash flows from operating activities (including sales of second-hand equipment) and borrowings under our debt facilities, including the Revolving Credit Facility, certain bilateral facilities and partially-state-guaranteed debt instruments, as well as equipment finance leases. Historically, our principal uses of cash have been, and we expect will continue to be, operating expenses, capital expenditures, working capital requirements, acquisitions and debt service payments. As of September 30, 2023, our cash and cash equivalents (net of bank overdrafts) amounted to €71.1 million.

We expect to finance future capital expenditures through cash flow from operations, finance leases or bilateral facilities. During the nine months ended September 30, 2023, we entered into €107.2 million of new finance leases (excluding IFRS 16 leases).

We currently have, and will continue to have, substantial indebtedness. As adjusted for the Transactions as of September 30, 2023, our gross third-party financial debt (excluding hedging instruments) amounted to €1,755.6 million. In addition, the Revolving Credit Facility provides for up to €180.0 million in borrowings for general corporate purposes, of which €120.0 million was available as of September 30, 2023.

As of September 30, 2023, we had €1,060.0 million of outstanding indebtedness in the form of the 2026 Notes and the 2027 Notes. We also had outstanding €49.0 million in stimulus bonds, €59.1 million in bilateral and other loans, €25.0 million under the PGE Loan, €385.5 million in finance leases, €182.1 million of IFRS 16 leases and €60.0 million drawn under the Revolving Credit Facility (€44.0 million of which is expected to be refinanced with the issuance of the Notes offered hereby). See "*Capitalization.*" Lenders with Revolving Credit Facility commitments in an aggregate amount of €176.0 million have granted the Issuer an option to extend the maturity of their Revolving Credit Facility commitments to a date no later than June 12, 2028, subject to the conditions set out therein and, in particular, that the 2026 Notes and the 2027 Notes are reduced to an aggregate principal amount not exceeding €50.0 million and that the extended maturity date of the Revolving Credit Facility falls no earlier than six months prior to the maturity of any outstanding 2026 Notes or any indebtedness designated as Pari Passu Debt Liabilities under the Intercreditor Agreement. If, at any time after the extension option is exercised, any new indebtedness is designated as Pari Passu Debt Liabilities under the Intercreditor Agreement, the Revolving Credit Facility includes a springing maturity mechanism to automatically reduce the maturity of the Revolving Credit Facility if required for the maturity date of the Revolving Facility to fall no earlier than six months prior to the maturity of any outstanding 2026 Notes or any indebtedness designated as Pari Passu Debt Liabilities under the

Intercreditor Agreement (in each case, other than in relation to an aggregate amount of indebtedness thereunder not exceeding €50.0 million).

We, or certain of our affiliates, may from time to time seek to retire or purchase our outstanding debt through cash purchases, in open market purchases, privately negotiated transactions or otherwise. Such repurchases or purchases, if any, will depend on prevailing market conditions, contractual restrictions and other factors. The amounts involved may be material.

Our ability to make principal or interest payments when due on our indebtedness, including indebtedness under the Revolving Credit Facility Agreement and our obligations under the 2026 Notes, the 2027 Notes and the Notes, and to fund our ongoing operations, will depend on our future performance and our ability to generate cash, which, to a certain extent, is subject to general economic, financial, industry, regulatory and other factors, as well as other factors discussed in "*Risk factors,*" many of which are beyond our control.

Our high level of debt may have important negative consequences. See "*Risk factors—Risks related to our financing arrangements and the Notes—Our significant leverage and debt service obligations could materially adversely affect our business, results of operations, financial condition and prospects and may make it difficult to operate our business.*" Our current financial policy is to maintain leverage around historical levels. We believe that, based on our current level of operations, our cash on hand, cash flows from operating activities and the availability of borrowings under the Revolving Credit Facility will be sufficient to fund our operating expenses, capital expenditures and debt service payments for at least the next twelve months.

Cash flow

The following is a discussion of our cash flow from operations, cash flow used in investing activities and cash flow from financing activities for the years ended December 31, 2020, 2021 and 2022 and the nine months ended September 30, 2022 and 2023.

Cash flow from operations includes EBITDA, fluctuations in our net working capital, interest paid, corporate income tax payments (including CVAE tax contribution) and exceptional items cashed out and cancellation of non-cash items in EBITDA (mainly net book value of disposed equipment).

Cash flow used in investing activities consists of our capital expenditures, changes in asset suppliers, financial investments and divestments and as well as the cash impact of external acquisitions.

Cash flow from/(used in) financing activities reflects the net issuance of new debt or equity, less debt repayments and dividend payments. All of the cash flow related to our finance leases are included in this sub-total.

The following table presents a summary of our cash flow for the years ended December 31, 2020, 2021 and 2022 and the nine months ended September 30, 2022 and 2023:

	Year ended December 31,				Nine months ended September 30,	
	2020	2021	2021	2022	2022	2023
(€ millions)	**French GAAP**	**French GAAP**	**IFRS**	**IFRS**	**IFRS**	**IFRS**
Cash flow from operations	160.4	243.9	301.1	313.9	224.4	257.0
Cash flow from/(used in) investing activities	(188.7)	(193.0)	(253.7)	(638.4)	(435.7)	(272.5)
Cash flow from/(used in) financing activities	114.2	(126.7)	(123.2)	288.7	130.5	8.4
Change in cash and cash equivalents	**85.9**	**(75.8)**	**(75.8)**	**(36.0)**	**(81.3)**	**(7.0)**
Cash and cash equivalents at the end of the period[(1)]	**190.1**	**114.3**	**114.3**	**78.3**	**32.9**	**71.1**

(1) Includes bank overdrafts.

Nine months ended September 30, 2023 compared to the nine months ended September 30, 2022 (IFRS)

Cash flow from operations

Net cash from operations increased significantly from €224.4 million for the nine months ended September 30, 2022 to €257.0 million for the nine months ended September 30, 2023. This increase in cash generated from operations was mainly driven by the €72.6 million increase in EBITDA during the nine months ended September 30, 2023, which was partly offset by an increase in interest paid of €25.0 million.

Cash flow used in investing activities

Net cash used in investing activities decreased from €435.7 million for the nine months ended September 30, 2022 to €272.5 million for the nine months ended September 30, 2023. The decrease in net cash used in investing activities was mainly due to the impact of the GSV Acquisition in April 2022, which was responsible for a cash outflow of €190.7 million. Our other cash flow used in investing activities remained relatively unchanged and was related to capital expenditures in the ordinary course and bolt-on acquisition activity.

Cash flow from financing activities

Net cash from financing activities decreased from €130.5 million for the nine months ended September 30, 2022 to €8.4 million for the nine months ended September 30, 2023. During the nine months ended September 30, 2023, we entered into the €150.0 million bridge loan to finance the GSV Acquisition. No dividends were paid during the nine months ended September 30, 2022 or the nine months ended September 30, 2023.

Year ended December 31, 2022 compared to year ended December 31, 2021 (IFRS)

Cash flow from operations

Net cash from operations increased from €301.1 million for the year ended December 31, 2021 to €313.9 million for the year ended December 31, 2022. This increase in cash generated from operating activities was mainly driven by €59.2 million of EBITDA growth in the year ended December 31, 2022, which was partly offset by an increase in cash interest of €17.0 million due to new financing fees and interests, a decrease of positive change in working capital of €8.6 million, an increase in income tax paid of €8.3 million and an increase in non-recurring costs and fees linked to the GSV Acquisition and Grupo Vendap Acquisition of €5.5 million.

Cash flow used in investing activities

Net cash used in investing activities increased significantly from €253.7 million for the year ended December 31, 2021 to €638.4 million for the year ended December 31, 2022. This increase was primarily driven by two factors: the scale of our M&A activities in 2022, with the acquisitions of two national leaders in Denmark and Portugal (which accounted for €236.5 million of this growth) and the strong increase in fleet capital expenditures to feed the volume growth after the conservative approach we took in 2020 and 2021 (which accounted for €182.1 million of this growth).

Cash flow from/used in financing activities

Net cash used in financing activities amounted to €123.2 million for the year ended December 31, 2021, as compared to net cash from financing activities of €288.7 million for the year ended December 31, 2022. In the year ended December 31, 2022, we entered into financing arrangements, such as a €150.0 million bridge loan to finance the GSV Acquisition, €49.0 million of Stimulus Bonds, €10.0 million of bilateral loans, including €19.0 million of local loans in Portugal linked to the Grupo Vendap Acquisition, €139.9 million of finance leases and €51.2 million of IFRS 16 leases. We repaid €239.9 million of debt in the year ended December 31, 2022, including €66.2 million drawn under the Revolving Credit Facility, €12.5 million of the PGE Loan, €102.6 million of finance leases and €60.2 million of IFRS 16 leases, as compared to repayments totaling €249.7 million in the year ended December 31, 2021. No dividends were paid during the year ended December 31, 2021 or the year ended December 31, 2022.

Year ended December 31, 2021 compared to the year ended December 31, 2020 (French GAAP)

Cash flow from operations

Net cash from operations increased significantly from €160.4 million for the year ended December 31, 2020, to €243.9 million for the year ended December 31, 2021. This increase in cash from operations is mainly driven by the growth of our

EBITDA by €56.3 million in the year ended December 31, 2021 and the €22.5 million positive impact of our change in net working capital due to better cash collection and negotiations of payment delays. We also made a number of acquisitions in 2021 that contributed positively to our cash flow.

Cash flow used in investing activities

Net cash used in investing activities increased from €188.7 million for the year ended December 31, 2020, to €193.0 million for the year ended December 31, 2021. This increase is primarily due to two drivers. We continued to adopt a conservative approach to our cash flow management in the months after the Covid-19 pandemic and slightly reduced our capital expenditures from €148.3 million in 2020 to €137.4 million in 2021. Acquisitions in France and Spain also impacted our cash flow by €14.5 million.

Cash flow from/used in financing activities

Net cash from financing activities amounted to a positive €114.2 million for the year ended December 31, 2020 as compared to a negative €126.7 million for the year ended December 31, 2021. In the year ended December 31, 2020, we entered into financing arrangements, such as the €125.0 million PGE Loan, in order to tackle the Covid-19 pandemic while, in the year ended December 31, 2021, we issued €64.9 million of financial debt composed of €10.0 million for a sustainability-linked loan, €54.5 million of finance leases and €0.4 million of other loans. We repaid €191.7 million of debt in the year ended December 31, 2021, including €96.9 million of finance leases, €75.0 million of the PGE Loan and €19.8 million to interest payment and other loans. No dividends were paid during this period.

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 last three years and nine months ended September 30, 2022 and 2023.

	Year ended December 31,			Nine months ended September 30,	
	2020	2021	2022	2022	2023
(€ millions)	French GAAP	French GAAP	IFRS	IFRS	IFRS
Gross capital expenditures	**(148.3)**	**(137.4)**	**(299.1)**	**(221.2)**	**(213.5)**
of which purchase of rental equipment	(127.8)	(116.2)	(266.2)	(203.6)	(192.7)
of which purchase of non-rental equipment[(1)]	(20.5)	(21.2)	(32.9)	(17.6)	(20.8)
Net proceeds from disposal of fixed assets	**32.9**	**35.9**	**39.8**	**22.3**	**34.1**
Proceeds from rental equipment sales	32.8	35.7	35.3	20.6	32.6
Proceeds from other asset sales	0.1	0.2	4.4	1.6	1.4
Net capital expenditures[(2)]	**(115.4)**	**(101.5)**	**(259.4)**	**(198.9)**	**(179.4)**

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

(2) We define net capital expenditures as capital expenditures, less proceeds from the sale of fixed assets, including rental equipment.

Our total gross capital expenditures for the nine months ended September 30, 2023 amounted to €213.5 million, of which €192.7 million was from the purchase of rental equipment, compared to €221.2 million for the nine months ended September 30, 2022, of which €203.6 million was from the purchase of rental equipment. This decrease was mainly due to the strategy of the Group to limit capital expenditures after a very strong year in 2022 and in the context of slowing market trends.

Our total gross capital expenditures for the year ended December 31, 2022 amounted to €299.1 million, of which €266.2 million was from the purchase of rental equipment, compared to €137.4 million for the year ended December 31, 2021, of which €116.2 million was from the purchase of rental equipment. This strong increase was due to our decision to increase our fleet after having adopted a conservative approach to cash flow management in 2021 after the Covid-19 pandemic.

Our total gross capital expenditures for the year ended December 31, 2021 amounted to €137.4 million, of which €116.2 million was from the purchase of rental equipment, compared to €148.3 million for the year ended December 31, 2020, of which €127.8 million was from the purchase of rental equipment. This slight decrease was due to the Group's decision to continue to adopt a conservative approach to our cash flow management in the months after the Covid-19 pandemic.

We expect that remaining capital expenditures of the Group for the year ending December 31, 2024 will be moderate and focused on maintaining and renewing our fleet, compared to the approximately €248.0 million of fleet investment in the year ending December 31, 2023. We expect to partially finance these capital expenditures through finance leases.

Contractual obligations

The table below summarizes our contractual obligations as of September 30, 2023, after giving effect to the Transactions and assumes all 2026 Floating Rate Notes are exchanged for Exchange Notes in the Exchange Offer and all 2027 Notes are accepted for tender in the Tender Offer. The information presented in the table below reflects our management's estimates of the contractual maturities of our obligations. These maturities may differ significantly from the actual maturity of these obligations. The table does not reflect interest on the Revolving Credit Facility and any utilization fees payable thereunder and does not include IFRS 16 leases.

(€ millions)	Total	Less than a year	1-5 years	More than 5 years
Notes offered hereby[(1)]	461.9	—	—	461.9
Exchange Notes[(1)]	188.1	—	—	188.1
2026 Fixed Rate Notes[(1)]	460.0	—	460.0	—
Stimulus bonds	49.0	—	—	49.0
Leases	385.5	108.1	213.1	64.3
Bilateral and other loans	59.1	22.8	36.3	—
PGE Loan	25.0	12.5	12.5	—
Revolving Credit Facility	16.0	—	16.0	—
Total	**1,644.6**	**143.4**	**737.9**	**763.3**

(1) Does not reflect interest payments due in respect of the Notes offered hereby, the Exchange Notes and the 2026 Fixed Rate Notes.

Off-balance sheet commitments

We are a party to various customary off-balance sheet arrangements, including guarantees given to financial institutions in connection with the 2026 Notes, the 2027 Notes, the Revolving Credit Facility and the Senior Term Loan Facility and with operating leases contracted for equipment rental payments that are not capitalized, real estate leases and other vehicle leases. Off-balance-sheet commitments relating to commitments given or received by entities within the Group's scope of consolidation and are not recognized in the balance sheet.

Quantitative and qualitative disclosures about market risks

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. Interest rates can affect our cost of debt, including the cost of purchasing new equipment. Exchange rate risks arise from the translation effect of our assets, liabilities, revenues and costs in currencies other than the euro. 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. However, these instruments are not designated as hedge instruments from an accounting perspective.

We own a portfolio of derivative financial instruments, mainly related to interest rate swaps and to a lesser extent, commodity swaps, for a notional amount of approximately €1.4 billion and expiring on dates ranging from December 2023 to October 2027. As of September 30, 2023, approximately 80% of the nominal amount under our existing floating rate debt is hedged until 2024 and approximately 70% of the nominal amount under our existing floating rate debt is hedged until 2026. We may also enter into interest rate swaps in connection with the issuance of the Notes.

The majority of our revenue (approximately 83% as of December 31, 2022), expenses and obligations are denominated in euros. However, we are exposed to foreign exchange rate risk, primarily in respect of Polish zloty and Danish kroner. We did not own any foreign exchange rate derivative financial instruments as of September 30, 2023.

Commodity prices risk

In order to monitor and respond to such fluctuations, we have put in place specific hedging instruments, namely gas oil swaps and diesel swaps. These instruments do not qualify as hedging instruments as there is no formal documentation of the hedging relationship. As of December 31, 2022, the fair value of these instruments was nil.

Certain differences between French GAAP and IFRS

The French GAAP Audited Consolidated Financial Statements included elsewhere in these listing particulars have been prepared in accordance with French GAAP. The IFRS Consolidated Financial Statements included elsewhere in these listing particulars were prepared in accordance with IFRS. Certain differences exist between French GAAP and IFRS that may be material to the financial information presented therein.

The discussion set forth below summarizes certain differences identified between French GAAP as applied by the Group and IFRS, following a limited analysis of both sets of principles. The Group is responsible for preparing the summary below and has not prepared a reconciliation of its consolidated financial information from French GAAP to IFRS.

In making an investment decision, investors must rely upon their own examination of the Group, the terms of the Offering and the financial information. Potential investors should consult their own professional advisors for an understanding of the differences between French GAAP and IFRS and how those differences might affect the financial information herein. Potential investors should not take this summary to be a comprehensive list of all differences between French GAAP and IFRS.

Some differences between French GAAP and IFRS, as they relate to the Group, are listed hereafter.

Employee Benefits

Under French GAAP, obligations under defined benefit plans were recognized in operating expenses in the income statement when the related expenses were incurred. Under IFRS, obligations under defined benefit plans are recognized in the statement of financial position.

The amounts shown primarily represent:

- The Group's obligation related to its defined benefit plans, recognized as a provision;
- The corresponding defined benefit expense, recognized in operating expenses, and the corresponding actuarial gains and losses, recognized in other comprehensive income.

Lastly, at January 1, 2020, the Group applied the IFRIC agenda decision issued in May 2021 on attributing benefit to periods of service.

IFRS 9 – Financial Instruments

The approach applicable under IFRS 9 differs in many respects from French GAAP. The application of IFRS 9 had the following impacts on the consolidated financial statements:

- Interest expense on borrowings (which was recognized on a straight-line basis over the term of the corresponding borrowings under French GAAP) is recognized using the effective interest rate method under IFRS.
- Impairment losses on trade receivables (which were calculated on the basis of a provision matrix and an analysis of doubtful receivables) are calculated using the expected credit loss model under IFRS 9.

As permitted in IFRS 9, the Group now uses a provision matrix based on historical losses incurred (over 4 years or 3 years, depending on the information available).

IFRS 9 requires forward-looking information to be incorporated into the impairment calculations but such information is not considered to be significant for the Group, particularly as it does not expect to see any changes in defaults in the sector in which it operates. However, this will be monitored over time and any changes will be incorporated if and when necessary.

Finally, when a risk is identified, a case-by-case analysis is performed and an impairment loss is recognized to cover the risk over the entire life of the receivable.

The Group does not apply hedge accounting as the documentation required for qualifying its hedges is not available. Impacts related to changes in the fair value of hedging instruments recorded in the statement of financial position (French GAAP divergence) are now recognized directly in the income statement and the underlying items are not remeasured.

IFRS 16 – Leases

IFRS 16 requires all leases to be recognized in the lessee's statement of financial position as a right-of-use asset with a corresponding financial liability. The leases identified by the Group where it is a lessee mainly concern the leasing of movable assets (rental fleet) and, to a lesser extent, real estate (branches, headquarters, etc.), vehicles, rental equipment and other equipment.

IAS 12 – Income Taxes – Tax effect of restatements

The amounts shown in these lines reflect the tax effect of the restatements made between French GAAP and IFRS that are included in profit for the period and equity.

IAS 12 – Income Taxes – Reclassification of income tax items

The French CVAE tax is considered and accounted for as an income tax in accordance with IAS 12, in line with the position adopted for preparing the parent company financial statements.

Critical accounting policies and estimates

The preparation of consolidated financial statements requires us to use judgment and to use estimates and assumptions that can affect the reported amounts of certain assets, liabilities, income and expenses, as well as the information disclosed in the accompanying notes.

In preparing the consolidated financial statements, the significant judgments we made in applying the Group's accounting policies and the key estimates used relate in particular to the following:

- Measurement of the recoverable amount of goodwill, property, plant and equipment and intangible assets;
- Measurement of trademarks and customer relationships;
- The terms of lease contracts that fall within the scope of IFRS 16;
- Measurement of financial instruments;
- The amount of deferred tax assets that can be recognized in the statement of financial position.

Business combinations – fair value, goodwill and other intangible assets

Business combinations are accounted for using the acquisition method:

- The acquisition price is measured at the acquisition date fair value of the consideration transferred, including any contingent consideration. Any post-acquisition changes in the estimated fair value of contingent consideration that occur after the acquisition price measurement period are recognized in profit or in equity, depending on the applicable standards.
- Any excess of the consideration transferred over the acquisition date fair value of the identifiable assets acquired and liabilities assumed represents goodwill, which is recorded as an asset in the statement of financial position.

Any fair value adjustments to the net identifiable assets acquired in a business combination that were originally measured on a provisional basis (due to ongoing valuations or additional analyses) are recognized as retrospective adjustments to goodwill if they are recorded within one year of the acquisition date and if they result from facts and circumstances that existed at the acquisition date. Beyond this one-year measurement period, the impacts of any such fair value adjustments and any changes in estimates are recognized directly in profit or loss.

Intangible assets may be recognized for customer relationships that correspond in substance to contracts in progress at the acquisition date and/or relationships with regular customers of the acquired entity (opportunity to enter into new contracts). These intangible assets are measured based on the "excess earnings" method, which considers that the value of the intangible asset recognized corresponds to the present value of the net cash flows expected to be generated by the customer relationship, after deducting the proportion of cash flows attributable to other assets that are required to generate those cash flows (contributory assets). Intangible assets may also be recognized for technologies (patented or not) and trademarks. These are valued either based on the "relief-from-royalty" method or the "replacement cost" method.

If the Group acquires an interest in an entity representing less than 100%, the portion of the entity not acquired (the non-controlling interest) is measured at either: full fair value, in which case the goodwill recognized includes the goodwill on the non-controlling interest as well as on the acquired controlling interest (the full goodwill method); or the fair value of its proportion of the net identifiable assets acquired (the partial goodwill method).

Costs directly attributable to major acquisitions are recorded under "Non-recurring operating income and expenses" in the period in which they are incurred.

Contingent consideration on a business combination is measured at fair value at the acquisition date even if it is not considered probable that the consideration will be paid. Any post-acquisition changes in the estimated fair value of contingent consideration may only give rise to an adjustment to goodwill if they occur during the measurement period (*i.e.* within one year of the acquisition date) and if they are the result of additional information acquired after the acquisition date about facts and circumstances that existed at that date. In all other cases, any changes in the estimated fair value of contingent consideration are recognized in profit or equity in accordance with the relevant IFRS.

If a business combination is achieved in stages, the acquisition-date carrying amount of the Group's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognized in profit or loss (if the previously held interest is measured at fair value through profit or loss). For the purpose of determining goodwill at the acquisition date, the fair value of the consideration transferred (*e.g.*, the price paid) is increased by the fair value of the Group's previously held equity interest in the acquiree. Any amounts previously recognized in other comprehensive income related to the Group's previously held interest in the acquiree are recycled to profit or loss.

Asset acquisitions

Acquisitions of groups of assets that do not fall within the scope of IFRS 3, as defined in the 2020 amendment to IFRS 3, are accounted for at cost (including acquisition-related expenses). The cost of the group of assets is allocated to the individual identifiable assets and liabilities based on their relative fair values at the acquisition date.

Property, plant and equipment

Property, plant and equipment acquired in a business combination is recognized at fair value.

Property, plant and equipment acquired other than in a business combination is carried at cost less any accumulated depreciation and impairment losses, with the exception of land, which is carried at cost less any impairment losses The various components of property, plant and equipment are recognized separately when their estimated useful lives and therefore their depreciation periods are significantly different. The cost of an item of property, plant and equipment includes the expenses that are directly attributable to its acquisition.

With the exception of land, property, plant and equipment is depreciated on a straight-line basis over its useful life, usually to zero, from the date it is brought into service, using a component approach.

The useful lives of the Group's main categories of property, plant and equipment are as follows:

- Buildings: 20 years
- Leasehold improvements, fixtures and fittings 4 to 10 years
- Elevation equipment: 3 to 9 years
- Earth-moving equipment: 3 to 9 years
- Other equipment: 3 to 10 years
- Vehicles: 3 to 5 years
- Office and IT equipment: 3 to 6 years
- Furniture: 3 to 10 years.

Subsequent costs are included in the carrying amount of an item of property, plant and equipment or recognized as a separate component, where applicable, if the asset recognition criteria are met. These recognition criteria are (i) it is probable that future economic benefits associated with the asset will flow to Kapla Holding or one of the companies in its scope of consolidation, and (ii) the cost of the asset can be measured reliably. All other repair and maintenance costs are recognized in profit or loss as incurred.

Intangible assets

Intangible assets consist mainly of software acquired or developed internally, acquired trademarks and customer relationships.

Following Kapla Holding's acquisition of the Kiloutou Group, the intangible asset analysis carried out identified that the following assets have a value: (i) the Kiloutou trademark, and (ii) customer relationships, in view of the significant amount of recurring revenue generated with customers over several years.

The value of the Kiloutou trademark was determined using the relief-from-royalty method (by capitalizing future royalties to infinity based on the assumption of a 1.5% annual growth rate and a post-tax discount rate of 8.1%). This intangible asset has an indefinite useful life.

The value of customer relationships was calculated by CGU, using detailed management analyses provided by the Group. Based on these management analyses, "customer relationships" intangible assets were identified for the following CGUs:

France – General rentals, International and France – Specialty rentals. The intangible assets recognized for these customer relationships are being amortized on a straight-line basis over a period of ten years.

The useful lives of the Group's main assets are as follows:

- Software: 1 to 5 years
- Customer relationships: 10 years

Intangible assets acquired separately by companies in the Group's scope of consolidation are recognized at cost, and those acquired through a business combination are recognized at fair value. Trademarks created and developed internally are not recognized in the statement of financial position. Only acquired trademarks that are identifiable, well known, and whose fair value can be reliably measured are carried in the statement of financial position, at the value determined at the date they are acquired.

Intangible assets with an indefinite useful life are not amortized but are tested for impairment at least once a year or whenever an event occurs that could affect their carrying amounts.

Intangible assets are carried at cost less any accumulated amortization and impairment losses.

Intangible assets are considered as having finite useful lives and are amortized on a straight-line basis over their estimated useful lives.

Finance leases

Accounting policies

IFRS 16 requires all leases to be recognized in the lessee's statement of financial position as a right-of-use asset with a corresponding financial liability. The leases identified by the Group where it is a lessee mainly concern the leasing of movable assets (rental fleet) and, to a lesser extent, real estate (branches, headquarters, etc.), vehicles, rental equipment and other equipment.

The Group has used the recognition exemptions available in IFRS 16 for (i) short-term leases (leases that, at the commencement date, have a term of 12 months or less), and (ii) leases for which the underlying asset is of low value.

Identification of leases

At inception of a contract, the Group assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if it conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

In assessing whether a contract conveys the right to control the use of an identified asset, the Group determines whether:

- The leased asset is explicitly or implicitly identified in the contract and is physically distinct or is a physically distinct portion of an asset.
- The supplier of the identified asset does not have a substantive right to substitute the asset.
- The Group has the right to obtain substantially all of the economic benefits from the use of the asset throughout the period of use.
- The Group has the right to direct the use of the asset.

In accordance with IFRS 16, leases are recognized in the statement of financial position in the form of a right of use of the leased asset ("right-of-use asset") and a financial liability ("lease liability") for the lease payments and other payments to be made during the lease term used to measure the lease liability.

The right-of-use asset is depreciated on a straight-line basis and the lease liability is measured on an amortized cost basis over the term of the lease. Interest expense on the lease liability is recorded in the income statement under "Cost of net debt related to equipment and logistics" and the depreciation expense on the right-of-use asset is recorded in the income statement under "Depreciation, amortization and impairment."

For leases contracted in 2022, the discount rate used was 5.7% for regular "3/6/9 year" commercial leases in France and for equipment leases of more than three years. A discount rate of 2.2% was used for short-term equipment leases (most have a term of less than three years).

At the commencement of a lease, the lease liability is recognized at an amount equal to the present value of the lease payments that are not paid at that date, including payments related to options that the lessee is reasonably certain to exercise. The lease term used to calculate the lease liability is determined following an economic analysis of any early termination, extension, renewal and purchase options for the underlying asset included in the non-cancelable period of the lease. Following initial recognition, the lease liability is subsequently measured at amortized cost using the effective interest method. Its carrying amount is increased to reflect interest on the lease liability and is reduced to reflect the lease payments made.

The Group's lease portfolio in France mainly comprises “3/6/9 year” commercial leases. For these leases, based on the economic analysis carried out by Kiloutou, the Group has chosen in general to apply a period of use of nine years. For commercial leases that are automatically renewable (after the nine-year period), the Group includes an additional period of use of approximately 24 months.

The Group carries out sale and leaseback transactions. Under these transactions, SCI Kiloutou Immobilier buys land and builds branch offices on it, which together form a real estate complex. It sells the real estate complex to HLD (or another Kapla Holding shareholder) after it has built the branches. The sale is carried out at a price deemed close to the market price. The Group considers that control of the real estate asset is transferred to the purchaser and that the transaction therefore constitutes a sale of the real estate asset to the purchaser. The Group then leases the real estate from the purchaser.

Impairment of non-current assets

IAS 36 – Impairment of Assets, sets out the procedures that a company is required to follow to ensure that the carrying amounts of its property, plant and equipment, including right-of-use assets, and intangible assets, including goodwill, do not exceed their recoverable amounts, *i.e.* the amounts that will be recovered through their use or sale.

The recoverable amount of an asset is defined as the higher of its fair value less costs of disposal and its value in use.

Fair value less costs of disposal corresponds to the amount that would be received to sell an asset in an orderly transaction between market participants at the measurement date, less costs of disposal. Value in use is the present value of the future cash flows expected to be derived from continuing use of an asset and from its ultimate disposal.

Future cash flows are estimated based on business plans or budgets drawn up for the period until 2027, with a terminal value calculated by applying a constant growth rate of 1.5% (inflation rate). They are discounted based on post-tax long-term market rates that reflect current market assessments of the time value of money and the risks specific to the assets.

For property, plant and equipment (including right-of-use assets) and intangible assets (including goodwill), the recoverable amount is tested as soon as there is an indication that the asset may be impaired. These tests are also carried out once a year (in practice at December 31 in order to take account of the seasonal nature of the business) for assets with an indefinite useful life.

Cash flows are discounted at the post-tax weighted average cost of capital, plus a risk premium specific to each country.

No impairment was recognized either in 2022 or 2021.

The following after-tax discount rates were used for each group of assets in 2022: 9.19% for CGUs in France, 9.63% for CGUs in Denmark and between 8.92% and 10.84% for International CGUs.

The post-tax discount rates used for each group of assets in 2021 were 8.15% for the Group’s CGUs in France and 8.65% for International CGUs.

The Kiloutou trademark, recognized as an intangible asset, is not amortized but is tested for impairment at least once a year.

Goodwill and intangible assets with an indefinite useful life must be systematically tested for impairment at least once a year. Other assets are tested whenever there is an indication that they may be impaired (*e.g.*, a decrease in revenue, cash flows or profitability). For the purpose of these tests, the assets are grouped together into Cash Generating Units (CGUs). A CGU is the smallest group of assets which includes the assets to be tested for impairment that generates cash flows that are largely independent from those generated by other groups of assets. Assets are broken down into CGUs for France General rentals, France Specialty rentals and a CGU for each country for international operations outside of Denmark.

For goodwill, annual impairment testing is performed at CGU level on France General rentals, France Specialty rentals, Denmark and the International CGU covering other countries. For trademarks and support assets that cannot be fully allocated to a single group of assets, impairment tests are performed at the higher level (segment, group of CGUs etc.).

Trade and other receivables

Trade receivables are amounts due from customers for services provided in the normal course of business. They are initially recognized based on the amount of the consideration expected and are subsequently measured at amortized cost less any impairment losses.

Impairment losses for receivables carried at amortized cost are measured using the expected credit loss (ECL) approach based on the credit risk of the customer concerned, with credit losses corresponding to the difference between the present value of expected future cash flows and the original contractual cash flows or the amount outstanding as recognized in the consolidated statement of financial position. A collective impairment loss is recognized for a group of assets if the assets within the group have similar credit risk characteristics.

Trade receivables of Kiloutou's main French operating subsidiary represent 64% of the Group's total trade receivables. For this subsidiary, receivables more than 90 days past due account for 10% of the overall gross amount. These receivables are tested for impairment as described above.

The Group has put in place a credit management policy that allows it to assess the solvency of its customers. Unpaid balances are monitored, with regular reports and regular tracking of financial information related to customers. Provisions for write-offs of receivables are recorded at each month-end for amounts considered as irrecoverable.

All trade and other receivables are due within one year.

Employee benefits

In accordance with IAS 19 – Employee Benefits, all entities included in the scope of consolidation identify and record all benefits granted to employees.

Depending on the laws and practices of each of its operating countries, the Group contributes to plans covering pensions, personal risk insurance, healthcare costs and statutory retirement bonuses. The benefits under these plans are based on various factors, such as seniority, salaries and payments made into statutory plans.

For defined contribution plans, the Group pays periodic contributions to external organizations that are responsible for the administrative and financial management of the plans. The contributions are expensed as incurred.

The benefit obligation for defined benefit plans is calculated using the projected unit credit method. The calculations are performed annually by independent actuaries for the largest plans and at regular intervals for other defined benefit plans. The actuarial assumptions used to determine the defined benefit obligation vary depending on the specific characteristics of each company (staff turnover rate, estimated future salary growth) and the economic conditions prevailing in the country where the plan is located (discount rate, inflation).

The expense recognized in the income statement for defined benefit plans comprises the current service cost (recognized in payroll costs), the net interest cost (recognized in other financial income and expenses) and the past service cost for the year. The Group determines the net interest expense on the net defined benefit liability for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability.

The Group’s defined benefit plans mainly correspond to statutory retirement bonuses in France and Poland and statutory severance pay (TFR) in Italy. The TFR liability in Italy has been recognized in accordance with the requirements of Italian law. The impacts of statutory retirement bonuses in Poland are recognized but are not material.

Short and long-term provisions for employee benefit obligations amounted to €4.0 million at December 31, 2021 (including €1.5 million for TFR in Italy and €2.5 million for statutory retirement bonuses in France) compared with €3.7 million at December 31, 2020 (including €1.5 million for TFR in Italy and €2.2 million for statutory retirement bonuses in France). Provisions (non-current and current) for staff benefits amount to €4.4 million at September 30, 2022 (as compared to €4.0 million at December 31, 2021).

Other provisions

In accordance with IAS 37, provisions are recognized when the Group has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The obligation may be legal, regulatory, or contractual and the amounts of the provisions are determined based on their nature and the most probable assumptions of the expenditure required to settle the obligation.

Provisions are discounted if the impact is deemed material and the discounting effect is recognized in operating profit.

Provisions for restructuring costs are recorded when a consolidated entity has a detailed formal plan for the restructuring and those affected by the plan have been notified of it.

Provisions that form part of the Group’s normal business cycle, as well as the short-term portion of other provisions, are classified as current liabilities. Provisions that do not meet these criteria are classified as non-current liabilities.

The provisions recognized at December 31, 2022 mainly reflected the following:

- Provisions for claims and litigation, intended to cover the risks incurred by the Group in connection with disputes with third parties.
- Provisions for restoring assets used under operating leases (utility vehicles and earth-moving vehicles).
- Other provisions for contingencies and charges. At December 31, 2022, this item mainly comprised provisions for risks related to employee tribunals and legal, tax and real estate disputes.

Financing and financial instruments

Financial assets are classified in three categories: assets at fair value through other comprehensive income (OCI), assets at fair value through profit or loss, and assets carried at amortized cost. The classification and measurement of financial assets is determined based on two criteria: the entity's business model for managing the financial asset and the contractual cash flow characteristics of the financial asset. Financial liabilities are classified in the following categories: financial liabilities at fair value through profit or loss, and liabilities carried at amortized cost. We analyze and classify financial assets and liabilities on initial recognition based on their characteristics.

IFRS 13 requires entities to classify financial instruments using a "fair value hierarchy" based on the inputs used to measure the fair value of each instrument. The hierarchy categories are as follows:

- Level 1: fair value measured by direct reference to quoted prices (not adjusted) available in active markets for identical assets or liabilities.
- Level 2: fair value measured based on inputs other than quoted prices included in Level 1 that are either directly or indirectly observable for the asset or liability.
- Level 3: fair value measured using valuation techniques based on non-observable inputs.

Derivative instruments (in particular interest rate swaps) are classified as at fair value through profit or loss.

Tax assets and liabilities

Deferred tax assets and liabilities are recognized for all temporary differences between the tax base of assets and liabilities and their carrying amounts, except when a deferred tax liability (i) arises from the initial recognition of goodwill that is not deductible for tax purposes, or (ii) relates to taxable temporary differences associated with investments in associates and interests in joint ventures when it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred taxes are calculated by the liability method, using the tax rates that are enacted or substantially enacted at the reporting date. The effect of changes in tax rates is recognized in profit or loss, except when the changes relate to items that were included directly in equity or other comprehensive income on initial recognition.

Both current and deferred taxes are recognized directly in equity or other comprehensive income when they relate to an item that on initial recognition was included in equity or other comprehensive income.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority. Deferred tax assets and liabilities are not discounted and are classified in the statement of financial position as non-current assets and liabilities.

Tax losses and other temporary differences only give rise to the recognition of a deferred tax asset when it is probable that they will be offset against future taxable profits within a reasonable period of time or when it is possible to offset them against deferred tax liabilities.

The income tax rates used for calculating deferred taxes are 25.82% for the Group's French companies, 19% for the Polish companies, 25% for the Spanish subsidiaries, 24% for the Italian companies, and 26% for the German entities.

French CVAE tax

In France, the local economic contribution (*contribution économique territoriale* – CET) is split between a corporate value added tax (*cotisation sur la valeur ajoutée des entreprises* – CVAE) and a corporate real estate tax (*cotisation foncière des entreprises* – CFE).

The Group examined the accounting treatment applied to these two French taxes in line with IFRS, and decided to account for them separately from one another, as follows:

- The CFE tax, whose amount is based on property rental values, is recognized in operating expenses.
- The CVAE tax, which, following its analysis the Group considers meets the definition of income tax as set out in IAS 12.2 – Income Taxes, is included in "Income tax expense."

Unrecognized deferred taxes

For France, deferred taxes on tax loss carryforwards are recognized. They are recorded as a deduction from the overall deferred tax liability. In view of the Group's business model, no deferred tax is recognized on non-deductible financial expenses that can be carried forward under the so-called ATAD mechanism.

For foreign subsidiaries, deferred tax bases amounting to €4.3 million at December 31, 2022 relating to tax loss carryforwards have not been recognized because their recovery is not considered probable within the meaning of IAS 12.

INDUSTRY

Certain of the information set forth in this section has been derived from external sources, including, among other sources, the Market Reports. Unless otherwise stated, the source of all industry metrics, estimates and projections used in these listing particulars is the ERA 2022 Market Report. Industry publications generally state that the information contained therein has been obtained from sources believed to be reliable, but some of the information may have been derived from estimates or subjective judgments or may have been subject to limited audit or validation. While we believe these market data and other information are accurate and correct, we have not independently verified them. Furthermore, such estimates or judgments, particularly as they relate to expectations about our market and industry, involve risks and uncertainties and are subject to change based on various factors, including those discussed under "Risk factors" and "Forward looking statements" elsewhere in these listing particulars. These projections and other forward-looking statements in this section are not guarantees of future performance and actual events and circumstances could differ materially from current expectations. Numerous factors could cause or contribute to such differences. See "Market and industry data," "Risk factors" and "Forward-looking statements."

Industry Overview

The global equipment rental industry plays a key role in the value of chain of significant economically important end-markets including infrastructure, construction, civil engineering and service/industrial companies. Equipment rental companies provide customers both with large equipment such as lifts, excavators and earthmoving equipment as well as small equipment such as power saws, power generators, scaffolding, ladders, and small pumps which are essential for all manner of construction and engineering work to be accomplished. Equipment rental companies are also active in leasing assets such as containers, modular spaces end heaters and coolers. In addition to providing rental equipment, many equipment rental companies offer a large range of services such as maintenance, in-service inspection, repair, transportation, storage, compliance with health and safety regulations, insurance and training on the safe use of the rented equipment. Increasingly, there is an incremental trend towards "outsourcing" such services among many large end-customers as they do not view these services as being core to their businesses. As a result, the services and holistic solutions component of the equipment rental industry is becoming more mission critical.

The principal customers of equipment rental companies typically include civil works companies, construction companies, craftspeople, service/industry companies, public administrations and individuals (business-to-customer).

We believe we are the third largest generalist equipment rental player in Europe and the second largest player in our largest market, France, based on rental revenue. We operate in seven European countries – France, Denmark, Italy, Portugal, Germany, Spain and Poland. The dynamics of the customer and geographic end markets that the Group serves vary, as described below under "*Our geographic markets*".

Customer Value Proposition and Equipment Rental Business Model

The long-term growth prospects for the equipment rental industry continue to be favorably supported by fundamental tailwinds, as customers ("end users") are increasingly taking advantage of the numerous benefits of renting equipment rather than owning ("outsourcing" versus "insourcing") including the following drivers:

Shift towards sharing / usage economy

End users are seeking to improve cost-effectiveness and increase flexibility, as owning equipment that is put to use only occasionally is no longer economical, and different activities demand specific equipment. End users also want to minimize the cost for low-usage equipment, and insulate themselves from disposal risk (*i.e.* the risk that under-utilized equipment remains on balance sheet and cannot be monetized when expedient). In addition, the shift towards an asset-light model for end users leads to lower financial risk and low barriers to entry for new construction, engineering and other craftspeople to launch and grow their businesses. Moreover, having fewer equipment assets can help reduce the Scope 2 and Scope 3 carbon footprint resulting from owned machines with low utilization rate. Finally, the higher interest rate environment is spurring end users to rent equipment rather than finance their purchase.

Legislation and HSE awareness

Another driver is the need to comply with local regulations as regards to equipment, health and safety. Compliance with health and safety norms requires specific equipment and specialized training. End users are generally risk-averse and prefer to confer these tasks to operators who have intimate knowledge of the relevant equipment, standards and regulations

with well-trained staff. Modern, well-maintained equipment generally promotes a safer work environment, reducing accidents which corresponds to end users' social commitments and also tends to be cheaper in the long term.

Shortage of skilled technicians

End users often prefer to outsource technical tasks to external experts for strategic activities as they may lack the proper human resources. For instance, maintenance work that is performed on an annual, semi-annual or as-required basis, does not warrant employing a full-time staff member. Instead, by using to equipment rental industry professional services for these maintenance needs, end users reduce their reliance on support functions for under-utilized equipment.

Equipment

Modern construction and engineering projects, especially large or complex ones, have become increasingly sophisticated. The latest generation of equipment is expensive, and some of these assets are important to complete civil engineering works, but would not be used daily in the course of a project. Thus, renting such specialized equipment on an as-needed basis is more practical.

The key criteria mentioned by customers when selecting a rental equipment provider consist of equipment availability, equipment quality, location, flexibility and safety enhancements, which in many occasions allow for premium pricing in certain countries in the European rental market. Customers typically place orders, both for individuals as well as for small and medium enterprises, by telephone via sales representatives or directly on site, within the rental equipment provider's branches, while medium-to-large companies increasingly order through online platforms.

The primary value-add of rental equipment providers is based on the benefit from a lower break-even period and enhanced returns compared to regular equipment purchasers as a result of: (i) more efficient fleet utilization (*i.e.* higher time utilization), (ii) benefits relating to centralized procurement contracts resulting in lower purchase prices, (iii) centralized and lower annual repair and maintenance costs, (iv) benefits relating to higher resale value at the end of the useful life of the equipment, (v) equipment financing benefits due to economies of scale and (vi) a network footprint based on proximity to customers and their worksites, as well as on-demand services.

Market Size and Forecasted Growth

Estimated European Market Size Overview for 2022 (EUR billion[(1)])

The European equipment rental market for the 16 European countries covered by the ERA 2022 Market Report was estimated to represent €28.9 billion in revenue in 2022. The below graphic shows the estimated European market size by country as follows:



Source: 2022 information is estimated
Legend: yellow bars represent our geographies
(1) 2022 exchange rate for all non-euro currencies.

The United Kingdom, Germany and France collectively hold the largest share of the European rental market (55% of total market share based on revenue). The market is highly fragmented, with approximately 58% of European rental market revenue being generated by smaller equipment rental providers. Mid-size equipment rental providers generate

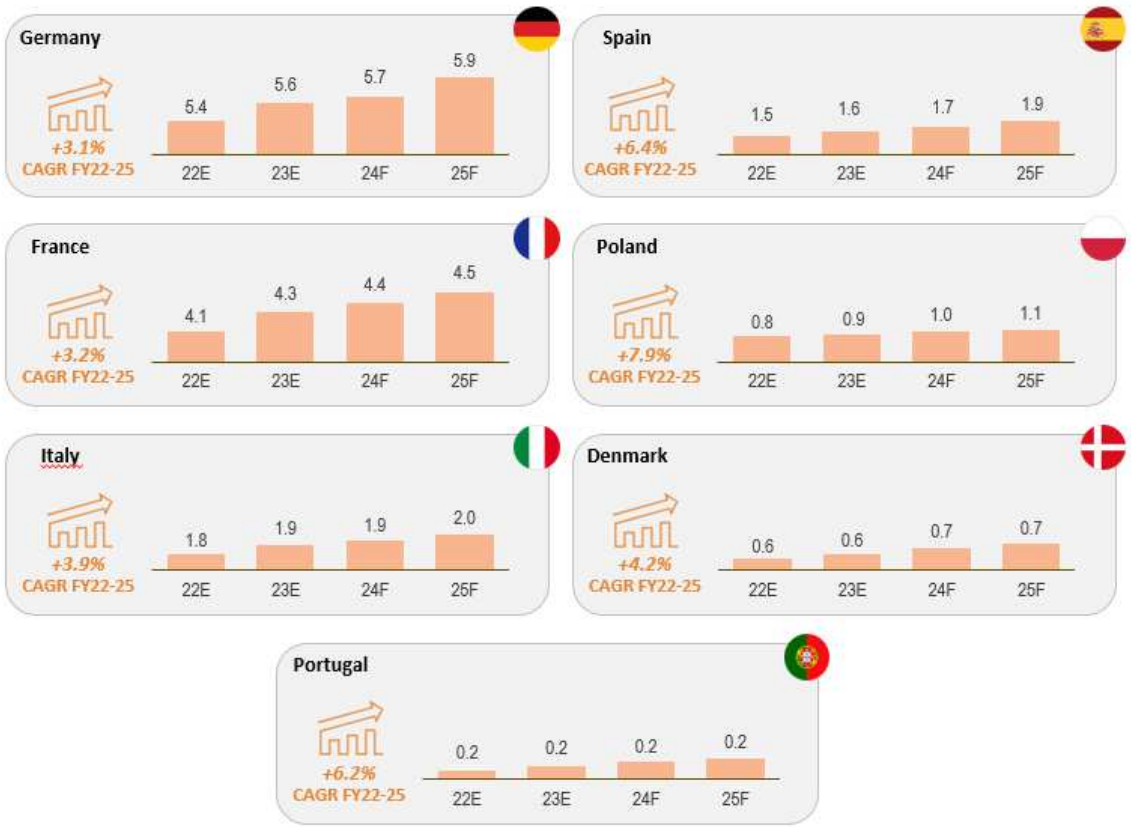
approximately 23% of total market revenue, with the remaining being generated by large scaled players (defined as those with at least 250 employees).

The European equipment rental market recorded strong growth over the 2010 to 2022 period, despite a contraction of 10.5% in 2020 (according to the ERA Equipment Rental Industry Report issued by the European Rental Association in October 2022) (primarily driven by COVID-19), and the European equipment rental market was expected to grow by an estimated 7.5% in 2022 and 2.7% in 2023. In 2025, a rebound is expected driving forecasted growth of 4.6%.

Sales within the rental equipment industry are forecasted to increase for all of the 16 countries covered by the ERA 2022 Market Report, with growth expected for our focus markets in Germany (by 1.2% and 4.4% respectively in 2024 and 2025), France (by 2.2% and 2.6% respectively in 2024 and 2025), Italy (by 2.1% and 3.7% respectively in 2024 and 2025), Spain (by 6.0% and 7.1% respectively in 2024 and 2025), Poland (by 9.2% and 7.1% respectively in 2024 and 2025), Denmark (by 3.6% and 5.1% respectively in 2024 and 2025), and Portugal (by 5.3% and 7.3% respectively in 2024 and 2025).

Market Growth In Our Geographies (EUR billion)

We operate in key geographies where the rental market is expected to grow, as shown in the following graphic:



Note: Based on assumptions on FX rates per year for Denmark and Poland.

The European equipment rental market's key market growth drivers consist of:

GDP growth and construction market activity levels: Growth in the equipment rental industry tends to be closely correlated to growth in the construction market. The equipment rental industry generally tries to match investment and efforts to capture growth of the construction market and respond to changes therein. The construction market is composed of three primary subsectors: (i) new residential and non-residential, (ii) renovation and maintenance and (iii) infrastructure (which includes transportation infrastructure and telecommunications, as well as energy and water works).

Within the overall construction market, individual end markets have differentiated growth patterns and have different dynamics driving market growth. For example, the renovation and maintenance end market tends to be less cyclical, as

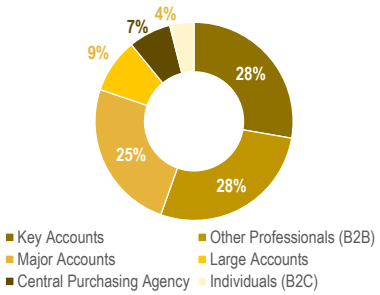
customers tend to reduce or delay new projects in favor of renovation and maintenance work during periods of economic downturns. In addition, diversification between different regional and local markets drives stability of overall demand for rental equipment.

In 2022, the European construction markets (19 countries covered by the Euroconstruct Report) registered an estimated growth of approximately 3.0% (% change in real terms), within an overall expansionary economic environment and a particularly strong momentum in Eastern Europe (with an estimated growth of 3.8% in 2022). However, the European construction markets are expected to have contracted by 1.1% in 2023, mainly due to: (i) contraction of residential sector, (ii) higher construction and production costs and (iii) significant tightening of credit conditions. This downward trend is expected to continue in 2024 prior to an expected return to growth in 2025.

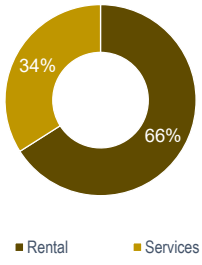
Our strategy is to minimize the impact of economic trends by developing services revenue streams, which increases our share of customer spending, is aided by focused fleet management, digitalization of key processes and a customer oriented business model.

Our customer portfolio of diversified and blue-chip clients reduces volatility in rental demand. Our offering and customer base are highly diversified, and include customers of different sizes and operating in various sectors, from large construction and industrial groups to small businesses and craftspeople, as illustrated in the following charts.

FY 2022 French generalist revenue breakdown per client size



FY 2022 revenue per segment



Regulation and government driven initiatives: The strong movement towards embracing ESG in Europe supports increasing demand for rental and leasing of equipment. End users increasingly require energy efficient and ESG-friendly equipment. The next generation of equipment that is needed for the energy transition is therefore driving a fundamental shift from an ownership model to a rental model, while allowing flexibility.

Urbanization: The population shift towards cities puts higher demand on infrastructure, increasing expenditures on large infrastructure products and thereby driving higher rental expenditures per project. We aim to become a market leader in the major cities through a growing branch network, which we expect to drive increased sales and higher margins as a result of more efficient transportation.

Increasing market penetration: Western and Northern European countries are the most mature markets, with the greatest rental market penetration, whereas Eastern and Southern European countries tend to have lower rental penetration rates and penetration in these countries is forecasted to increase in the coming years. Rental penetration rates tend to vary from country to country and increased rental penetration rates are driven by:

- *Increased benefits of renting rather than owning:* As previously mentioned, the rental industry plays an important role in the shift from ownership to rentals by offering access to shared resources. This flexibility leads to lower capital expenditures and lower fixed costs of owning equipment connected to insurance, maintenance, repair, storage, as well as transferring residual value risk, and large rental companies benefit further from scale in purchasing and maintenance. Smaller companies generally lack the financial resources and credit for large fleet investments and have to rely on the rental channel. This is also applicable in a downturn scenario and during periods of economic uncertainty, when clients generally prefer renting over ownership.

- *Decarbonization and ESG initiatives:* Rental equipment is a key part of the larger circular economy value-chain, as equipment is rented by many customers over its life cycle and the rental company keeps the equipment in good functioning order through a program of maintenance and regular inspections. The rental model also decreases operational complexity and minimizes waste, as a reduced fleet size requires less in terms of procurement and logistics, maintenance and asset disposal activities. Increasing concerns about climate change also drives reduced

fleet size and increases the preference for renting equipment, as this is viewed as reducing carbon footprint. We and other equipment rental players are expected to play a vital role in their customers' decarbonization agenda and we are keeping pace with targeted CO_2 emissions for the coming years, with an expected 40% reduction of emissions by 2030 and targeted carbon neutrality by 2050.

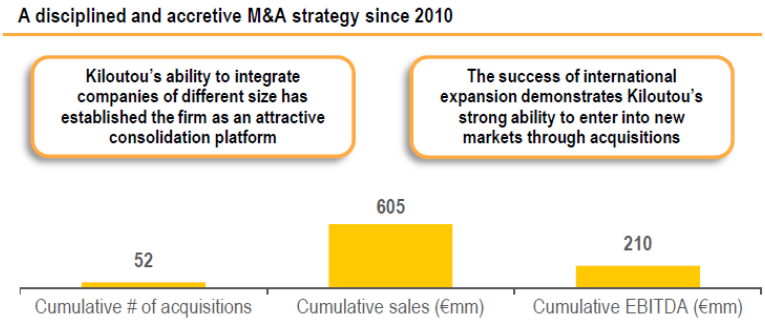
- *Growing demand for digital solutions and add-on services:* Digitalization and technological advances further drive demand for value-added services that complete the rental offer and strengthen relationships with customers by offering integrated service, and create opportunities to: (i) increase efficiency in fleet management and route optimization to reduce the number of journeys and time to deliver equipment to clients, (ii) improve customer insight and real-time information in equipment rental and digital ordering, and (iii) improve billing practices. This is complemented by growing demand for instant online access to information and offerings, price comparisons and online reviews.

- *Increasing preference for comprehensive proposition:* Customers increasingly look for an end-to-end solutions resulting in increasing demand for packaged services that solve a broader need versus providing discrete services for specific parts the of value chain. As a result. rental companies increasingly offer packaged solutions with a degree of flexibility that are closely aligned with their customers' goals, as opposed to only providing equipment or services for specific customer needs.

Competitive Landscape

The European equipment rental industry is highly fragmented, consisting of: (i) a large number of small equipment rental companies serving local or regional markets and (ii) a small number of medium to large equipment rental companies serving regional, national and international markets.

The industry continues to consolidate, evidenced by the 52 acquisitions that we successfully carried out from 2010 and 2023. The graphic below illustrates the positive impact that our disciplined M&A strategy has had on our business.



We believe we are the third largest generalist equipment rental player in Europe based on revenue in the year ended December 31, 2022. Across our markets, our primary competitors are large national and international equipment providers that offer broad, generalized product ranges to customers.

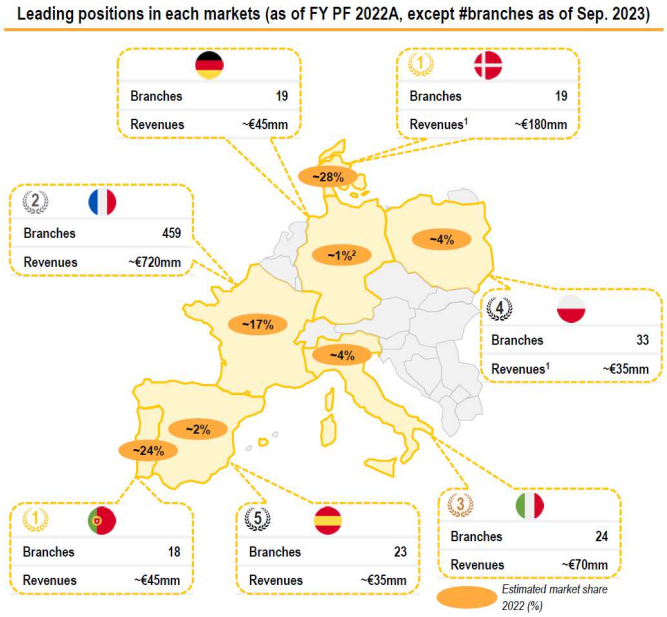
- One large player that we compete with is Loxam, which generated sales of approximately €2.4 billion in the year ended December 31, 2022, with approximately 41% of its sales in France, and which is more exposed to the earthmoving and access business lines than we are.

- Our business model does not focus only on heavy equipment, but also on tools and light equipment (approximately 33.6% of our French revenue in the year ended December 31, 2022) that used in the subsequent maintenance and operational phase, resulting in reduced capital expenditures for our equipment fleet and a higher degree of flexibility in equipment allocation and utilization.

We believe we hold strong market positions across our key markets:

- **#1 in Portugal and Denmark** by revenue, with approximately 24% and approximately 28% market share respectively in the year ended December 31, 2022
- **#2 in France** by revenue, with a market share of approximately 17% in the year ended December 31, 2022
- **#3 in Italy** by revenue, with a market share of approximately 4% in the year ended December 31, 2022
- **#4 in Poland** by revenue, with a market share of approximately 4% in the year ended December 31, 2022
- **#5 in Spain** by revenue, with a market share of approximately 2% in the year ended December 31, 2022

The following graphic illustrates these leading positions and our dense and capillary network of branches in our several key geographies:



Source: 2022 information is estimated
Note 1: in €mm-equivalent

Competition in the equipment rental industry is primarily based on proximity, equipment availability, equipment quality, price, quality of sales relationships, delivery times, quality of service and attention to health and safety.

Even though the rental industry is fragmented in Europe, the largest equipment rental companies benefit from significant barriers to entry. These include substantial capital investment requirements, proximity to customers, including work sites, and the advantages of networks that are aligned to demand hotspots, long-term relationships with key suppliers and customers through a dense branch network, economies of scale, strong brand positioning and the financial capacity to develop digital and ESG initiatives.

Our Geographic Markets

France

The total size of the French market was estimated to be approximately €4.1 billion in terms of revenue in 2022, with forecasted growth in 2023 of 4.8%, 2.2% in 2024 and 2.6% in 2025. Price increases and increased penetration have had a positive impact on rental revenue despite a slowdown in activity. The French construction sector represents approximately 65% of total market sales, benefiting from positive construction output, particularly in the non-residential and infrastructure segments. The French rental market is the third largest market in Europe (including the United Kingdom) and is characterized by a strong regional disparity, with significant variations in market conditions and performance across different regions, a trend also observed in the Italian and Spanish markets. The market is expected to further consolidate as smaller companies are at a disadvantage due to higher financing costs, more limited geographic coverage and fleet size compared to larger and more established players nationwide.

A recovery plan called "*France Relance*" was established in the context of recovery from the COVID-19 pandemic and consists of €100 billion to stimulate economic recovery, of which €39.4 billion is financed by the European Union, as part of France's National Recovery and Resilience Plan (the "**NRRP**").

The NRRP covers several sizeable projects over the 2021 to 2026 period aimed at improving the railway network, such as the €25 billion Turin-Lyon high speed train line.

As a result of civil engineering projects, demand for earthmoving machinery is expected to increase in the coming years. Simultaneously, demand for access machinery and small equipment is also increasing. Investment in green machinery is growing slowly as prices for such equipment are still high.

	2021A	2022E	2023E	2024F	2025F
Market turnover growth rate	11.5%	5.2%	4.8%	2.2%	2.6%

Germany

The total size of the German market was estimated to be approximately €5.4 billion in terms of revenue in 2022, with forecasted growth in 2023 of 3.9%,1.2% in 2024 and 4.4% in 2025. The French construction sector represents approximately 65% of total market sales.

The short-term market growth outlook in Germany is uncertain, given an expected decline in housing activities, which represents a substantial portion of the German construction sector's performance. Both new projects and renovation works are expected to lose momentum, reflecting the impact of inflation on households' and companies' budgets. The outlook remains positive for infrastructure projects, especially in connection with maintenance of road networks and bridges and logistics construction, which are supported by recent EU funding. Another key area for development will be the energy sector, as coal energy production in Germany is set to end by 2037, which necessitates structural changes to the current energy infrastructure. This trend is expected to be also be relevant in most major European countries.

The German rental industry was Europe's second largest market after the United Kingdom in 2022 and is characterized by a fragmented and diversified competitive landscape consisting of a number of international and regional players with strong local customer bases. We believe we are among the top ten players in the Access market, behind players like Zeppelin (which is mainly focused on earthmoving equipment), Aerzen International Rental, HKL and Mateco. German customers are sophisticated, focusing on innovation, service offerings and quality. We benefit from these factors due to our comprehensive services and fleet offerings.

Key trends in the German rental market are: (i) further consolidation within a fragmented market, (ii) focus on decarbonization and (iii) substantial government expenditures on large infrastructure projects.

	2021A	2022E	2023E	2024F	2025F
Market turnover growth rate	4.5%	3.6%	3.9%	1.2%	4.4%

Italy

The total size of the Italian market was estimated to approximately €1.8 billion in 2022 in terms of revenue , with forecasted growth in 2023 of 5.9%, 2.1% in 2024 and 3.7% in 2025. The Italian construction sector represents approximately 70% of total rental revenue.

The Italian rental market was the fourth largest market in Europe in 2022 and is characterized by its highly fragmented base, mainly composed of small companies (accounting for 65.7% of total rental revenues) and mid-sized companies with more than 50 employees (generating approximately 34.3% of total rental revenues). Mid-sized companies are expected to increase their industry share through acquisitions in the next few years, especially given the challenge of financing costs for smaller companies.

The Italian infrastructure segment is made more resilient by EU spending. Italy is the largest beneficiary of the EU's Recovery and Resilience Facility (the "**RRF**" and its infrastructure segment is expected to expand by 3.7% in 2023 and forecasted to expand by 4.5% in 2024. These financial commitments are mainly earmarked for transportation infrastructure

construction, healthcare and education facilities. However, persistent cost pressures are likely to affect decision-making for and delivery of projects.

Key trends in the Italian market are: (i) consolidation a within the rental market due to an increased number of small players struggling with financing costs, (ii) demand for new and more sustainable machinery, energy efficient solutions and eco-innovation, and (iii) long-standing and continued financial support from the EU.

	2021A	2022E	2023E	2024F	2025F
Market turnover growth rate	8.1%	13.9%	5.9%	2.1%	3.7%

Spain

The total size of the Spanish market was estimated to be approximately €1.5 billion in terms of revenue in 2022 with forecasted in 2023 of 5.9%, 6.0% in 2024 and 7.1% in 2025F. The Spanish construction sector represents approximately 75% of total rental revenue, and is expected to remain stable going forward.

The Spanish rental market was the sixth largest market in Europe and is similar to the Italian market, notably with its highly fragmented competitive environment, with small companies generating approximately 66% of total rental market revenue.

Rental revenue is strongly fueled by: (i) the infrastructure segment, which is expected to grow by 3.8% in 2023, driven by the EU financial support, and in particular the energy sub-segment and (ii) residential construction given a slight increase in the number of households.

Key trends in the Spanish market are: (i) a steady level of investments in public works, (ii) increasing penetration and demand from industries entering the rental market, (iii) willingness from large players to further consolidate and (iv) a shifting investment pipeline towards green machinery despite persistent price pressure.

	2021A	2022E	2023E	2024F	2025F
Market turnover growth rate	5.0%	11.1%	5.9%	6.0%	7.1%

Denmark

The total size of the Danish market was estimated to approximately €0.6 billion in 2022 in terms of revenue with a forecasted growth in 2023 of 4.0%, 3.6% in 2024 and 5.1% in 2025. The Danish construction sector represents approximately 70% of total rental revenue.

The Danish rental market was the twelfth largest market in Europe and is has benefitted from strong resilience during the COVID-19 pandemic due to limited lockdown measures and other restrictions.

The Danish rental market is fragmented, with small companies estimated to represent approximately 50% of total rental revenue, despite consolidation by established large players. GSV (which we acquired in 2022) and Loxam are the two largest players in the Danish rental market, with GSV holding a leading position with approximately 25% market share (based on 2021 revenue), enabling us to reach approximately 28% of market share in Denmark (based on 2022 revenue). GSV has a strong reputation in the Danish market and has emerged as the leading independent rental platform in Denmark.

The key driver of rental market growth revenue in Denmark is the demand from public contracts (such as railway projects), civil engineering (such as the Fehmarnbelt Tunnel), industry and energy-related investments.

	2021A	2022E	2023E	2024F	2025F
Market turnover growth rate	4.2%	10.8%	4.0%	3.6%	5.1%

Poland

The total size of the Polish market was estimated to approximately €0.8 billion in 2022 in terms of revenue with a forecasted growth in 2023 of 7.5%, 9.2% in 2024 and 7.1% in 2025. The construction sector represents approximately 80% of total rental revenue, which is the highest in Europe.

The Polish rental market was the ninth largest market in Europe and is highly fragmented, with international players accounting for less than 25% of total rental revenue. Consolidation dynamics are likely to accelerate given current fierce national competition and multinationals' market penetration.

The "First Apartment" scheme recently launched by the government to provide an interest rate subsidy in the first ten years of payments for the purchase of a first apartment is expected to stimulate construction by fostering housing demand and house price growth.

The main drivers for the Polish rental market are infrastructure projects, such as new road construction in the south of Poland, renewable power projects and warehousing. Additionally, plans to expand the electricity infrastructure network, including the expansion and modernization of the transmission and distribution systems, are expected to support demand for equipment rental market. Furthermore, rental companies have recently encountered high demand for scaffolding, access machinery and heavy equipment.

	2021A	2022E	2023E	2024F	2025F
Market turnover growth rate	5.3%	12.1%	7.5%	9.2%	7.1%

Portugal

The total size of the Portuguese market was estimated at approximately €0.2 billion in 2022 in terms of revenue with a forecasted growth in 2023 of 6.5%, 5.3% in 2024 and 7.3% in 2025. Demand in the construction sector represents approximately 73% of total rental revenue, with a clear contribution of infrastructure projects.

Strong financial support from the EU through the RRF is expected to drive investments in transport, health, digital technologies and housing. The European Investment Bank, together with the InvestEU program, is also supporting development and construction of renewable energy projects initiatives like solar photovoltaics and onshore wind assets across the country.

The Portuguese market is a highly fragmented market, especially in the northern part of Portugal. Equipment rental providers such as Transgrua, Machrent, Gam, Loxam-Hune and Grupo Vendap (which we acquired 2022) are expected to provide equipment to upcoming infrastructure construction works that are expected to drive market growth over the 2023 to 2025 period. Transportation and water and sewage will notably be the key drivers of growth in the short-term.

	2021A	2022E	2023E	2024F	2025F
Market turnover growth rate	18.0%	18.2%	6.5%	5.3%	7.3%

BUSINESS

Overview

We believe we are the third largest generalist equipment rental player in Europe and the second largest player in our largest market, France, based on rental revenue, serving the construction, civil works, craftspeople, services, industrial and events sectors. We hold leading positions across Europe, where we believe that we are the largest player in Denmark and Portugal, the third largest player in Italy, the fourth largest player in Poland and the fifth largest player in Spain. As of September 30, 2023, we had a network of 595 branches offering a rental fleet that comprises over 265,000 tools and pieces of equipment (excluding accessories) of approximately 1,000 different types to over 400,000 customers across seven countries. We generated Acquisition Adjusted Revenue of €1,196.3 million and Acquisition Adjusted EBITDA of €457.1 million for the twelve months ended September 30, 2023.

We started our business with a focus on tools and light equipment. Over time, we have grown this offering and diversified our offering to provide a wide array of complementary heavy equipment as well as value-adding services, creating a one-stop-shop for both professional customers (business-to-business) and individuals (business-to-consumer) looking for solutions for a variety of projects and construction works.

We generate our revenue from two principal activities: Rental and Services. For the twelve months ended September 30, 2023, €768.4 million, or 64.9%, of our revenue was derived from our Rental activities and €414.9 million, or 35.1%, was derived from our Services activities.

- **Rental activities.** We rent both heavy and light equipment and tools to a diversified customer base including construction and civil work companies, craftspeople, public entities, industrial companies, events companies and, to a lesser extent, individuals. We offer one of the largest catalogues of rental equipment across four product categories: Tools and Light Equipment, Earthmoving, Access and Utility Vehicles, which accounted for 33.6%, 21.1%, 30.8% and 6.2%, respectively, of our French Rental revenue activities in the year ended December 31, 2022. Our Specialist business lines comprise, in all our geographies, seven product categories: Power, Module, Events, Signaling, Fixed Scaffolding, Portable Toilets and Industrial Forklifts.

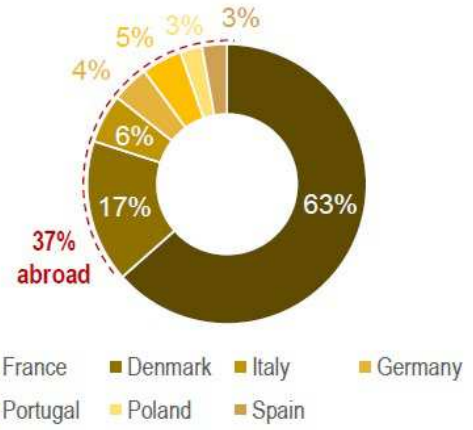
- **Services activities.** We offer services that are directly associated with our Rental activities, as well as other services that cater to our customers' requirements. Our Services activities includes the following activities: transportation and delivery of equipment, sale of consumables (such as ancillary products that are fitted to equipment we rent, as well as cross-sales of other products, such as diamond blades and sandpaper, safety equipment and oil) and spare parts adapted to our equipment rental offering, sale of insurance policies offered to customers in connection with our rental agreements, cleaning and repair services for the maintenance of our equipment, fuel for equipment and vehicles, customer trainings and various other activities such as the sale of products or subrental of equipment. Our two largest Services categories, Transportation and Delivery and Consumables, accounted for 32.4% and 19.1%, respectively, of revenue within our Services activities for the twelve months ended September 30, 2023.

Historically located in Lille, we have progressively expanded our reach into key industrial and populated areas in France, building a dense network of 459 branches covering all regions in which we operate. We also began expanding our business internationally in 2014 with the acquisition of two companies in Poland. As of September 30, 2023, we had 136 branches in Denmark, Italy, Germany, Spain, Poland and Portugal with a total of 595 branches across Europe.

We believe that our dense network in France contributes to strong branch visibility and, ultimately, to strong brand recognition. Our business model is based on a decentralized approach that allows our clusters to have a high degree of autonomy and responsibility. Cluster and branch managers have a solid knowledge of their local markets and are in a strong position to build long-lasting relationships with local customers, which we believe enable them to react quickly, efficiently and precisely to their specific geographic markets. We intend to continue to apply the same business model to the other countries in which we operate as we expand our international network.

The chart below shows our Acquisition Adjusted Revenue by geography for the twelve months ended September 30, 2023.

Total Acquisition Adjusted Revenue by geography
for the twelve months ended September 30, 2023



We estimate that we own the third largest equipment rental fleet in Europe in terms of gross book value, with a gross book value of €2.1 billion as of September 30, 2023 (excluding IFRS 16 leases), out of which 40% are assets financed by leasing. We have historically heavily invested in our operations to modernize our equipment fleet and improve our service offering, which we believe has positioned us well to capture future market growth, driven by increasing customer preference for renting rather than owning equipment, as well as increasing our favorable penetration rates in our geographic markets. As of December 31, 2022, our young equipment fleet within our French Generalist business line had an estimated weighted average age of 4.9 years (compared to 5.3 years in 2016) and an estimated weighted average useful life of over 10 years. Offering a relatively new fleet allows us not only to provide our customers with modern and well-functioning equipment but also to better manage our repair and maintenance costs. We believe that the high quality of our equipment fleet is highly regarded by our customers.

We offer innovative solutions to accommodate our customers' changing needs, which cannot be easily replicated by smaller competitors. Our innovative solutions include:

- **KARE**, our portable safety equipment offering tailored to increase worker safety on construction sites. It includes connected and intelligent safety vests equipped with an anti-collision system designed to prevent collisions between pedestrian employees and machines, as well as ergonomic support equipment such as ergo-skeletons and zero-gravity arms, which are wearable devices that assist operators in lifting small heavy objects. KARE received the 2023 Innovation award for *Safety on Worksite Production* at the Preventica Paris fair;

- **YOUSE**, our pioneering digital solution designed to facilitate the sharing and secure management of equipment fleets between in-house workers and service providers on the same construction site. As such, it reduces customers' rental costs, worksite inefficiencies and carbon emissions. Together with KARE, YOUSE received the 2023 Best Innovation award among French rental companies from BTP Magazine and Groupe Cayola; and

- **Integrated Online Experience**, our digital initiative which aims to streamline our customers' experience through our websites and applications. This enables customers to effortlessly view their invoices, manage their rented equipment and access real-time telematics information about their equipment usage. Designed for ease and efficiency, our integrated approach enhances customer interaction through our e-commerce platforms. In particular, our new French e-commerce platform, which we released in early 2023, has earned three prizes: the Best Online + Offline Purchasing Experience by LSA magazine, the Design & User Experience silver award and public award at the e-commerce trophies event and the Best Lead Generation Funnel awarded by Content Square In addition, in recognition of our strong digital outreach strategy, we received the Digital External Communication Silver Award by Top-Com.

We also invest in solutions consistent with our commitment to sustainability and are working on pilot projects that are expected to reduce indirect emissions from our activities. We are accelerating the replacement of our fleet of heavy vehicles and vans used to deliver equipment with alternative-energy vehicles (fueled by liquefied natural gas or compressed natural gas) and transitioning to alternative-energy equipment. We are also continuing our branch renovation construction program and launching a range of more than 3,500 alternative energy equipment types to help construction and public works customers transition to a low-carbon policy.

We believe that the size and density of our network, our large and well-diversified customer base and the quality of our fleet constitute key competitive advantages that enable us to gain market share and increase the efficiency of our operations, as well as to secure repeat business. These competitive advantages and the attractive underlying fundamentals of the equipment rental industry have enabled us to deliver strong financial performance historically, with our revenue growing at a compound annual growth rate ("**CAGR**") of 10.3% between 2005 and the twelve months ended September 30, 2023.

Our competitive strengths

We believe that we have a number of core competitive strengths that enable us to compete effectively in our markets, which are discussed further below.

Leading pan-European equipment rental provider with established positioning in core markets

We believe that we are the third largest player operating in the European generalist rental equipment market based on rental revenue, with a network of 595 branches across seven countries as of September 30, 2023. We have established our leading position in the European market by developing and expanding our network both organically and through a series of successful bolt-on acquisitions, while cultivating a well-recognized brand that is known for strong market and technical expertise and building a large, high-quality fleet. We are also recognized for the quality of our equipment and services, our prices, product availability, network and proximity to and knowledge of our customers. We estimate that our fleet of over 265,000 tools and pieces of equipment (excluding accessories) is the third largest in the European market in terms of gross book value, with a gross book value of €2.1 billion as of September 30, 2023 (excluding IFRS 16 leases), out of which 40% are assets financed by leasing.

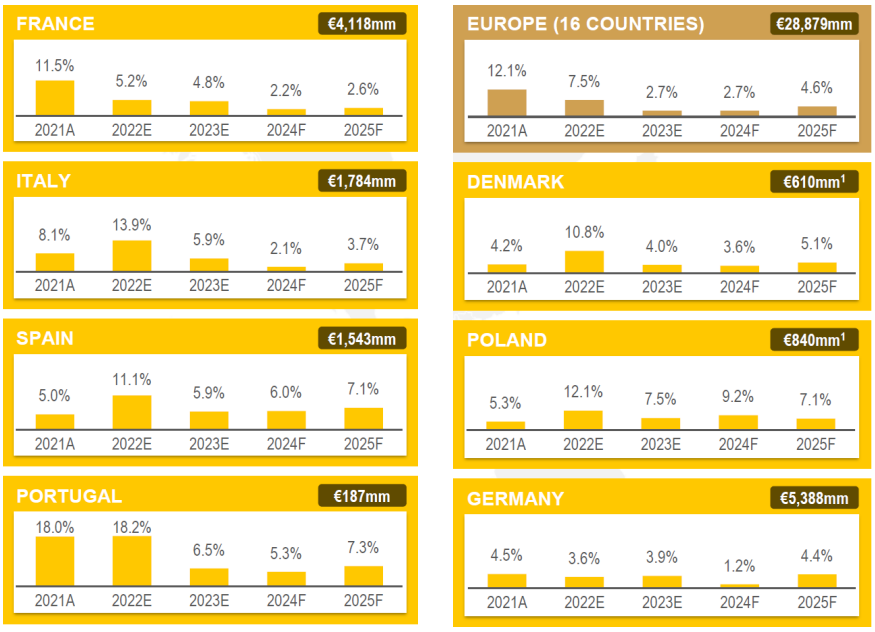
In France, which is our largest market, we believe we are the second largest player (based on rental revenue), with a dense network of 459 branches as of September 30, 2023. Together with the largest player, we believe that we held approximately 40% of the market share in 2022. We believe none of the smaller regional players hold more than approximately 4% of market share as of 2022.

Based on management estimates, we estimate that we are the largest player in Denmark and Portugal, respectively, in each case based on revenue. We also believe we are the third largest player in Italy, the fourth largest player in Poland and the fifth largest player in Spain. In addition, we have a significant presence in Germany, where we currently primarily offer Access equipment. Since 2014, we have significantly expanded our international footprint with a combination of organic development and opportunistic, value-accretive acquisitions. We have leveraged the know-how we have cultivated from our extensive experience in France to build a strong presence in our other markets. As such, we have increased our share of revenue outside of France from 13.8% in 2018 to 36.5% in the twelve months ended September 30, 2023.

Supportive long-term rental market trends with growth outlook

We expect to benefit from the positive medium-term outlook of the European equipment rental market as well as the larger European construction market, underpinned by a structural shift towards equipment rental over ownership. According to the ERA 2022 Market Report, the total size of the European equipment rental market was estimated to be €28.9 billion in terms of revenue in 2022, with an estimated growth of 7.5% in 2022 and 2.7% in 2023. Although growth rates are expected to contract in 2023 and 2024, by 1.1% and 0.7%, respectively, the market is expected to rebound in 2025, with a 1.4% growth outlook.

Our seven geographic markets set out below were among the top twelve equipment rental markets in Europe in 2023 and are expected to grow in the medium term, as illustrated below.



Source: ERA Market Report 2022 | €mm Rental Turnover 2022 Estimates
Note 1: Rental turnover 2022 estimates are in €mm-equivalent based on the exchange rate of the ERA 2022 Market Report: EUR/DKK of 7.4 and EUR/PLN of 4.7

In France, which accounted for 62.8% of our Acquisition Adjusted Revenue for the twelve months ended September 30, 2023, the equipment rental market value in terms of revenue in 2022 was estimated to €4.1 billion, with approximately 65% of rental revenue estimated to stem from demand in the construction sector. According to the ERA, the market in France is expected to grow by 2.2% in 2024 and 2.6% in 2025, driven by an increase in rental volume growth (resulting from both the construction market growth and increasing rental penetration rate) as well as a steady rental price growth.

In our international markets, we believe we are well-positioned to take advantage of market growth and also to benefit from bolt-on acquisitions.

We expect that the consistent increase in demand for equipment rental in our principal markets will continue in the coming years, supported by the following positive fundamental trends:

- an increase of global urbanization with two-thirds of the world population expected to be living in urban areas by 2050 (as opposed to 55.0% in 2018);
- an increasing preference for renting rather than owning equipment, as a result of customer perception that renting (i) reduces the cost for low-usage equipment (rental companies can obtain better purchase prices and resale value, better manage annual repair and maintenance costs and optimize equipment utilization rate), (ii) optimizes the split between operational expenditures and capital expenditures by reducing the fixed costs of maintaining and replacing an equipment fleet, and (iii) eliminates disposal risks;
- an ongoing shift towards a "sharing economy" and a more sustainable and environmentally friendly business model (renting improves cost-effectiveness and operational flexibility while minimizing waste, financial risks, barriers to entry by reducing operational complexity (*e.g.*, a reduced fleet size demands fewer procurement, maintenance, logistics and asset disposal activities) and carbon footprint resulting from owned machines with low utilization rates);
- the use of digital technology by rental companies, which enables them to control in real-time the customer relationship, promotes an increase in sales by enhancing the speed and quality of the customer journey and automating order requests (*e.g.*, with the use of telematics technologies), allowing customers to better manage their rented fleet;
- a shortage of skilled technicians to repair and maintain equipment, which favors outsourcing technical expertise for strategic activities and reduces the need for support functions linked to equipment usage; and

- increasing awareness of health safety and environment ("**HSE**") issues and related legislation and regulation, with equipment rental tailored to health and safety norms requiring specific equipment, facilitating the fulfillment of local regulations and providing safer, well-serviced equipment.

These trends are further reinforced by structural strengths in the equipment rental industry, namely the increasing preference among our customers to manage costs, capital expenditures and utilization unpredictability and to outsource the management associated with increasingly complex equipment and tools, particularly in connection with increasing safety regulations.

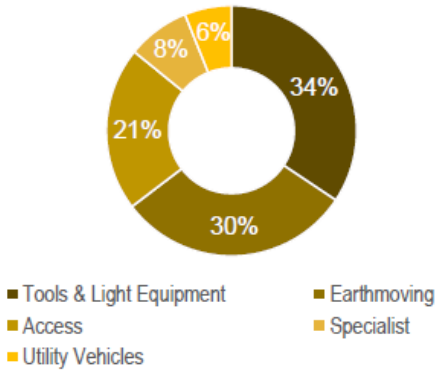
Therefore, we believe that the European equipment rental market is structurally attractive and we are well positioned to reach the untapped potential customer base in the European market and to take advantage of opportunities for growth in the medium- and long-term.

Unique value proposition with strong competitive advantages

One-stop-shop for customers

We are a true one-stop-shop equipment rental company with a significant market presence, which allows us to lead and compete across multiple business lines and product categories and to provide a seamless and high-quality experience to our broad customer base. We give our customers access to a fleet encompassing a wide and differentiated range of both generalist and specialist equipment meeting a variety of needs for earthmoving, aerial work, handling, compaction, tools and light equipment that can be used in a variety of projects, as well as utility vehicles, energy and pumping solutions, modules and events solutions. The chart below shows our revenue breakdown by product category in France for the year ended December 31, 2022.

Product category revenue breakdown in France
for the year ended December 31, 2022



The superior quality of our fleet is highly recognized by customers. As of December 31, 2022, we operated a fleet of more than 265,000 tools and pieces of equipment (excluding accessories) of approximately 1,000 different types.

In addition, in 2021 and 2022, we invested €116.2 million and €266.2 million, respectively, in our fleet and, as a result, as of December 31, 2022, we had a young fleet within our French Generalist business line with an estimated weighted average age of 4.9 years (compared to 5.3 years in 2016) and an estimated weighted average useful life of over ten years. Furthermore, we have limited equipment supplier concentration, which we believe enhances our ability to negotiate better prices when replacing or purchasing new equipment and gives us flexibility when sourcing our products.

In addition to equipment rentals, we offer high-quality value-adding services to our customers, including transportation and delivery, cleaning, repair and maintenance, as well as logistics and training. Offering multiple products and services to a diversified customer base across a number of end markets creates significant cross-selling opportunities and synergies across our business lines and allow us to operate more efficiently. Our services are integral to our business model, complementing our rental offering and, we believe, increasing customer satisfaction and retention.

Our products and services are offered through our dense and capillary branch network (particularly in France) comprised of 595 branches as of September 30, 2023, strategically located across our seven geographies. Our French generalist network is spread across all departments (other than Corsica) with 459 branches, where 427 Generalist branches are organized within 59 clusters. We carefully select the location of our branches in order to optimize our network. The density

of our network helps us stay close to our customers. Given our local staff's superior knowledge of their respective markets, we trust local management with a high degree of autonomy and responsibility in their operations in order to better understand local customers' needs and respond quickly to their changing requirements.

High-quality customer service

Our customer-centric approach is critical to our commercial success and the resilience of our business model. This approach allows us to create deeper relationships with customers and develop tailored and innovative solutions (such as our connected vest offering) that meet our customers' most complex requirements, help them grow their businesses, control costs and operate more efficiently. The breadth and depth of our fleet, the density of our branches and our value-adding services give us the flexibility we need to meet our customers' evolving needs. As our customers respond to a rapidly changing environment, we in turn adapt our product portfolio and services offering, through both organic growth and targeted acquisitions. We believe that many of our professional customers consider us to be a trusted partner in their day-to-day operations, principally as a result of the wide range of products available across our fleet, our reliability and our complementary services offering.

Our focus on superior customer service has further strengthened our brand and enhanced our ability to attract and retain customers across our broad geographic coverage. As of December 31, 2022, approximately 83% of our revenue was derived from recurring customers (defined as customers to whom a sale has been made in two consecutive years). We monitor our customers' satisfaction by conducting monthly surveys with approximately 1,500 customers. Our Net Promoter Score ("**NPS**") (*i.e.*, the difference between the share of satisfied promoters (satisfaction grade between nine and ten) and the share of detractors (satisfaction grade between one and six)) consistently grew over the past seven years (from 30.3% in 2016 to 53.7% as of September 30, 2023). In Denmark, our NPS reached approximately 75% year to date as of September 30, 2023. As a testament to our sustained efforts to prioritize customer satisfaction, we were chosen as a favorite French brand (*Marque Préférée des Français*) in 2023 in the professional equipment rental category.

Best-in-class fleet management

Our business model also relies on our best-in-class fleet management capabilities. The high quality of our fleet, combined with our approach to fleet management, is a core part of providing a superior customer experience and maintaining our profitability. Our focus on preventive and regular equipment maintenance, which is conducted by our highly skilled team of technicians, allows us to improve the utilization rates of our products and better manage capital expenditure levels dedicated for the maintenance or expansion of our fleet, while also ensuring customer and employee safety. Our fleet management capabilities are in addition to our superior logistics know-how which, supported by our dense and capillary branch network, ensures timely delivery to our customers.

Furthermore, we are able to maximize the resale value of our products (*i.e.*, sale price divided by purchase price) by keeping a young fleet and using a dedicated resale platform. Our fleet management has resulted in an average resale value growth of 11.4% since 2016 (consistently increasing from 28.0% in 2016 to 39.4% for the year ended December 31, 2022, while also reducing our maintenance costs (11.7% as a percentage of rental revenue in 2016 to 11.4% in the historical perimeter for the year ended December 31, 2022).

Digital pioneer and optimized IT system

We believe that digital technology is and will increasingly be a key driver of success in our market and we therefore invest heavily in our digital capabilities. Over the years, we have been at the forefront of the digital offering of equipment rental in Europe, developing reliable, versatile and efficient in-house technology platforms that support our products and services. As such, we multiplied our digital revenues in France by 11 times from €1.9 million for the year ended December 31, 2019, to €21.9 million for the year ended December 31, 2022. Our new French e-commerce platform, which we released in early 2023, has earned three prizes: the Best Online + Offline Purchasing Experience by LSA magazine, the Design & User Experience silver award and public award at the e-commerce trophies event and the Best Lead Generation Funnel awarded by Content Square.

We also recently launched YOUSE, a pioneering digital solution in the construction sector, designed to facilitate the sharing and secure management of equipment fleets between in-house workers and service providers on the same construction site. As such, it reduces customers' rental costs, worksite inefficiencies and carbon emissions. Together with KARE, YOUSE received the 2023 Best Innovation award among French rental companies from BTP Magazine and Groupe Cayola, showcasing our leadership in the digital rental space.

Digitalization and an optimized IT system help optimize both external and internal processes. Our website and app in France received approximately 8.1 million visitors in 2022 and provide customers with an integrated online booking

system by which they can make a reservation, rent equipment and review invoices, as well as request technical intervention and contact our representatives for any queries. These features are critical to ensuring a quicker and more efficient customer experience and help improve our sales. Further, we have invested to equip our fleet with telematics technologies to generate real-time information for our customers and our internal operations, thus better optimizing our utilization rates and further reinforcing the flexibility of our business model.

Disciplined M&A strategy

The European equipment rental industry is 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. This fragmentation offers significant opportunities for consolidation through M&A activity, which is a key part of our strategy. We use our extensive familiarity with the markets we serve to anticipate customer needs and respond to new market opportunities, both in terms of new products and geographies, through additional M&A activity.

We have particularly focused our M&A strategy in recent years on consolidation through small, accretive acquisitions and expansion beyond our French network. From 2010 to 2023, we completed approximately 50 acquisitions, including the acquisitions of Bernard Location and UKA+HAUKE Arbeitsbühnen in 2023, which generated cumulative sales of €605 million and cumulative EBITDA of €210 million (in each case, in French GAAP or IFRS excluding IFRS 16 leases, as applicable, and calculated as though the acquired companies had been acquired as of the first day of the relevant income statement period, by taking into account the full-year results of operations of the acquired companies, derived from their accounting records, without adjusting for any other effects). Our business model enables us to leverage our position to optimize the purchase price paid for such acquisitions while using our acquired network to generate synergies and benefits of scale.

We believe that our acquisition track record, including our ability to integrate companies of different sizes, has established us as an attractive consolidation platform and has helped to strengthen our market leadership. The success of our international expansion demonstrates our strong ability to enter into new markets through acquisitions. For further details about our recent acquisitions, see "*Management's discussion and analysis of financial condition and results of operations—Factors affecting comparability of results—Recent acquisitions.*"

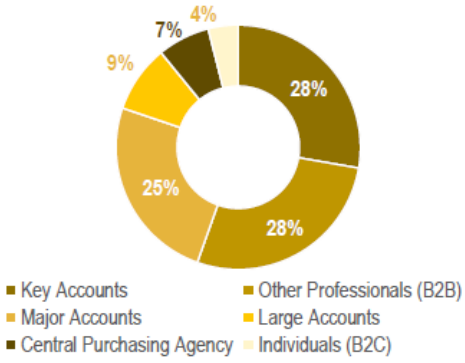
Diversified exposure across customers, segments and geographies

The breadth of our fleet of generalist and specialist equipment gives us a well-balanced exposure to different industry segments and end markets, including construction, infrastructure, civil engineering and industrial companies. Our high exposure to Tools and Light Equipment (which represented 33.6% of our rental revenue in France for the year ended December 31, 2022) provides us with a diversified customer end-base and helps attenuate our exposure to seasonality (in particular, in the construction industry).

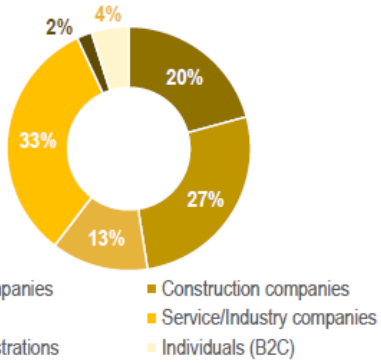
In addition to our core equipment rental activities, a significant share of our revenue is generated from our Services activities. Services accounted for 35.0% of our revenue for the twelve months ended September 30, 2023. Some of our services are offered and provided directly in connection with equipment rental, providing key support for such activities and contributing to their profitability. Other services such as subrentals, sale of products and training can be engaged independently from our core activities and therefore provide a distinct source of revenue. We believe that our services are a key differentiating factor of our business, increasing customer satisfaction and retention and contributing to a more diversified revenue base.

We serve over 400,000 customers across our businesses. In the year ended December 31, 2022, 96% of our revenue from our generalist subsidiaries in France was from companies (business to business). Our customer base is highly diversified, including customers of different sizes and operating in various sectors, from large construction and industrial groups to small businesses and craftspeople, as illustrated in the following charts.

French generalist revenue breakdown by customer end market for the year ended December 31, 2022



French generalist revenue breakdown by customer size for the year ended December 31, 2022



In France, our customer concentration risk is relatively low. In the year ended December 31, 2022, Kiloutou S.A.S.'s top ten customers accounted for 24% of Kiloutou S.A.S.'s revenue (as compared to 27% in 2018) and our largest customer represented less than 10% of Kiloutou S.A.S.'s revenue. For more information about our customer base, see "*Business—Customers*."

In recent years, we have broadened our international footprint significantly, building a strong presence in seven European countries in addition to France and reducing our exposure to the French market, which dropped to 62.8% of our Acquisition Adjusted Revenue for the twelve months ended September 30, 2023 from 91% for the year ended December 31, 2017. We have since grown to become what we believe is the largest player in Denmark and Portugal, the third largest player in Italy, the fourth largest player in Poland and the fifth largest player in Spain and based on rental revenue, which demonstrates the value of our M&A strategy in establishing our business in international markets.

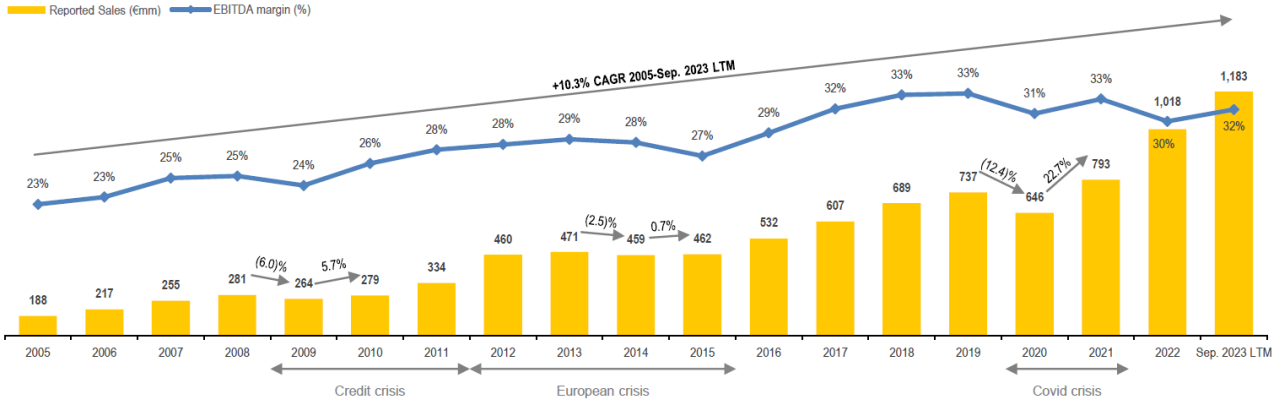
Resilient financial profile with proven track record of growth, profitability and cash generation through-the-cycle

We believe that our ability to manage our operating costs and our fleet in line with market conditions is a competitive advantage that has contributed to steady top-line and profit growth. With the exception of the Covid-19 pandemic in 2020, our revenue grew by 4.3% in 2019, 18.2% in 2021, 6.6% in 2022 and 7.1% in the nine months ended September 30, 2023, on a constant perimeter basis. In addition, despite the Covid-19 pandemic, we did not experience any issues related to our customers and our bad debt ratio remained low during that period at 0.5% and 0.2% for the years ended December 31, 2020 and 2021, respectively.

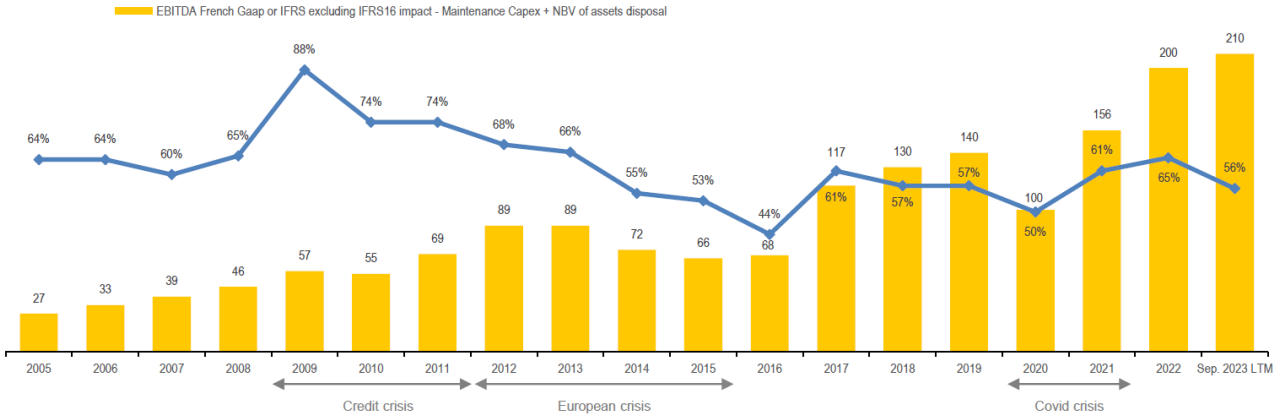
We have demonstrated our ability to grow our business through a combination of organic growth, accretive acquisitions and tight cost control, while remaining resilient through slower economic cycles. From 2005 to 2022, our revenue grew at a CAGR of 9.8% and we maintained EBITDA margins above 23%, with an average cash conversion of 62.4%. As a result of cost optimization initiatives, better fixed cost absorption, improved staff productivity and network optimization, we have been able to expand our EBITDA margin by seven points since 2010.

The charts below illustrate our revenue and EBITDA margin growth and our cash conversion from the year ended December 31, 2005 to the year ended December 31, 2022.

Revenue and EBITDA Margin (French GAAP or IFRS excluding IFRS 16 leases) since 2005 (€ millions)



Cash conversion[(1)] since 2005 (€ millions)



(1) We define cash conversion as EBITDA (French GAAP or IFRS excluding IFRS 16 leases, as applicable), *less* maintenance capital expenditures (which represents purchases of rental equipment to replace our disposed fleet corresponding to the diminution of the rental equipment gross book value amount), *plus* the net book value of assets sold, as a percentage of EBITDA (French GAAP or IFRS excluding IFRS 16 leases, as applicable) for the relevant period.

We 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 and postpone investments, streamline our branch network, right-size our fleet and pay down debt with our cash flows, as needed. We have no long-term engagements in respect of capital expenditures and make investment decisions on a regular, short-term basis. As a result, we are generally able to quickly adjust our level of fleet investment to respond to market fluctuations. For example, when faced with more challenging market conditions as a result of the global financial crisis, we were able to significantly and quickly reduce investments in our fleet to 3.4% of our revenue in 2009, from 22% in 2008.

Similarly, we were able to successfully address the challenging market conditions of the Covid-19 pandemic by implementing furlough measures, negotiating rent concessions with our lessors for the branches that we temporarily closed, and significantly cutting our purchases of rental equipment by €61.2 million during the year ended December 31, 2020, which enabled us to generate an additional €45.3 million of unlevered free cash flow during the period and preserve cash on hand. In line with our strategy to continuously keep a highly qualitative fleet, we were also able to continue meeting our maintenance capital expenditure cover ratio, which historically has been stable at around 15% of revenue.

For the years ended December 31, 2020, 2021 and 2022, unlevered free cash flow stood at €58.6 million, €149.0 million and €28.2 million, respectively.

Highly experienced management team with a strong track record of growth and supported by long-term investors

We have a strong management team with extensive experience and know-how in the equipment rental industry and a track record of operational excellence, which we believe is necessary to successfully develop and expand our business. Our key

management team consists of 28 individuals who have an average of approximately 16 years of industry experience. Our management team is led by Olivier Colleau and Jan-Luc Ambre, who have been part of our team since 2009 and 2003, respectively. Under their leadership, our management team has successfully delivered organic and M&A-based growth, as well as business diversification and professionalization and operational improvements, despite challenging business cycles. Since 2015, we have been expanding internationally, bringing our value proposition to six other European countries, and have increased our total number of branches from 454 as of December 31, 2015 to 595 as of September 30, 2023. As a result, between December 31, 2015 and December 31, 2022, our revenue grew at a CAGR of 12% (from €461.6 million in December 31, 2015 to €1,017.7 million in the year ended December 31, 2022) and our EBITDA margin grew 10.2 points (from 27% in December 31, 2015 (under French GAAP) to 37.2% in the year ended December 31, 2022 (under IFRS)). Our consistent growth trajectory has been recognized at the summit for growing companies (*Sommet des entreprises en croissance*), where we won a Gold Award in 2023. The long tenure of our top management has enabled us to build strong relationships and personal ties at all levels of our industry, which we believe gives us a competitive advantage that few of our competitors can rival. In recognition of their leadership and collaborative approach, Olivier Colleau and Jan-Luc Ambre won the "Best CEO/CFO" award at the *Leaders de la Finance* meeting in 2023. Furthermore, our senior management is supported by regional and cluster managers who are empowered to foster local market knowledge while keeping bureaucratic processes at a minimum. We believe that our management structure encourages strong commitment and entrepreneurial spirit across our Group. See "*Management*."

Our seasoned management team has the full support of, and is fully aligned with, our principal shareholders to leverage our strengths and build our presence as an industry leader. In particular, the Sponsors, prudent long-term capital investors, contribute additional expertise and act as a sounding board for our senior management. Our ownership structure also includes management and employees and significant employee shareholdings is combined with a high share of variable compensation based on cluster performance, which we believe ensures alignment of interests and cooperation by our employees. We believe that our current management team and ownership structure will allow us to continue attracting and retaining the industry's top talent, further driving profitable growth. See "*Principal shareholders*." We believe our unique and recognized corporate culture is a key factor in attracting and retaining talent as well as fostering a positive and inclusive work environment for all.

Our strategy

We aim to continue strengthening our position in France and Europe by implementing the key strategies set forth below.

Continue to offer superior customer experience

We intend to continue to offer our advanced "one-stop-shop" customer experience and strengthen our value-adding services.

We believe that we have a large, diversified and loyal customer base primarily due to the high quality of our broad product portfolio and value-adding service offering. In order to continue providing a compelling value proposition to our customers and attract new customers, we intend to maintain our focus on ensuring a consistently high-quality one-stop-shop customer experience across our network. This includes continuing to introduce innovative offerings to meet customers' evolving demands, diversifying our fleet in order to offer a broader catalogue, including environmentally friendly products, and improving our digital capabilities in order to further enhance our brand awareness and customer loyalty rates. We also intend to expand our value-adding services, which generate a significant share of our revenue and create cross-selling opportunities with our equipment rental activities. Cross-selling is at the heart of our strategy and we intend to continue leveraging our one-stop-shop business model to further increase our share of customers' total spend.

We believe that both our professional and friendly personnel with superior knowledge of their local markets and our engaged approach to customer service are critical to maintaining our customers' loyalty and expanding our embedded customer base. We continually strive to improve our employee performance and training in order to enhance customer satisfaction as well as to attract and retain emerging management talent.

Foster a positive workplace to drive employee and customer loyalty

We are convinced that building the best employee experience boosts customer satisfaction. We empower our staff by ensuring safe and positive working conditions, providing a caring and stimulating working environment, and sharing our success with our employees through performance bonuses and employee participation programs.

As part of our commitment to corporate responsibility, we also prioritize the professional development of our employees throughout their careers. Our training center has been open to all our employees and has offered sessions to our staff since 2007 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. Our training center also plays a key role in the integration of new employees.

Our efforts to create a thriving workplace were recognized again in 2023, when we were awarded the Happy Candidates certification for the fifth year in a row and the Happy Trainees certificate for the second year in a row. Our sustainable hiring strategy, as showcased in our sustainable recruiting video, was also recognized by COM-ENT in the 36th edition of their Grand Prix in 2023, where we won the Silver Award in the Employer Branding category. These recognitions are a testament to our efforts in creating a nurturing and progressive workplace that not only focuses on the training of our employees but also on their long-term career growth.

Continuously improve our operational excellence

Since our founding in 1980, we have continuously expanded our network, and over time we have developed extensive territorial coverage in France and a reputation for operational excellence among customers. In order to operate efficiently, we provide a high level of autonomy to our local staff in making business decisions, developing budgets and managing fleet availability within their clusters and branches, as applicable, while maintaining centralized IT systems to support our operations, including to monitor our fleet, provide customer service and enhance logistics capabilities. Although we believe that we already benefit from a highly efficient network with strong logistics know-how that allows us to efficiently manage transportation costs and optimize the utilization rate of our equipment, we believe we can leverage digital technologies to improve and expedite the customer experience and therefore increase our sales, as well as to enhance the efficiency of our internal operations. We intend to continue enhancing the efficiency of our network through strategic site openings and consolidation, as applicable, and improvement of our technology capabilities, including with the use of telematics technologies for fleet tracking purposes.

We believe that digital technology is and will increasingly be a key success factor and we therefore invest heavily in our digital capabilities. Digital technology drives our external activities, such as business development and customer experience, but also helps optimize our internal processes, notably with respect to fleet management.

Expand our operations through innovation and a disciplined acquisition strategy

We intend to consolidate our French market share. The French equipment rental market is fragmented. When taken together with the largest player, we believe that we held approximately 40% of the market share in 2022. We believe the remainder of the market share was distributed among smaller regional players, none of whom held more than approximately 4% of market share. The fragmentation in the French equipment rental market benefits companies with large, strategically coherent and integrated businesses like ours. We intend to take advantage of this fragmentation in order to pursue both organically and through bolt-on acquisitions, which are a key part of our strategy.

In addition, we intend to continue pursuing our successful track record of acquisitions based on clearly defined target selection criteria and a disciplined approach. We believe that fragmentation in our key markets will continue to allow us to complete acquisitions and act as a market consolidator. We actively monitor opportunities to expand and optimize our network at the local and national levels in order to maximize profitable growth. Our future acquisition strategy will focus on seeking accretive acquisition targets in order to complement our organic growth, strengthen our leading market positions, optimize our network and develop synergies in our fleet management, as well as diversify our product offering by moving into new product markets (in particular in the Specialist business line). Our acquisition strategy is supported by our high level of brand awareness, our extensive know-how of local markets and our ability to anticipate customer needs and new market opportunities. Our business model enables us to leverage our position to optimize the purchase price paid for such acquisitions while profiting from benefits of scale.

Successful integration of acquisitions is key to our strategy and we believe that we are well positioned to integrate any future acquired companies smoothly and profitably. 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. We expect to draw on our recent experience integrating acquired companies in order to achieve similar success and efficiency in integrating future acquisitions for continued success across all of our markets.

Investing in our products and capabilities will remain a strategic priority for us and we believe this will set us up for long-term success. We have accumulated significant expertise in developing innovative products and services offering. For example, we recently launched the Kiloutou Signalisation business unit, our first subsidiary offering a comprehensive range of products and services dedicated to signage and safety products. We intend to focus on diversifying our Specialist

business line and to continue launching innovative products and services in order to anticipate changes in our industry and meet customer demand.

Outside of France, we intend to expand our international footprint by strengthening our position in our existing geographic markets and selectively entering new geographic markets to further strengthen and expand our international operations. With 136 branches across six countries outside of France as of September 30, 2023, we already operate a sizeable international business. We believe that, over time, there is the potential to continue our international expansion strategy. In some of the countries in which we operate, our existing network does not currently address several regions where we believe there is strong potential and, as a result, we believe there are opportunities to grow profitably in those regions. Our management team identifies sites based on demographics, the footprint of our institutional customer base, proximity to locations of our existing branches, availability of suitable space, local economic conditions and other factors that we believe are relevant to the successful expansion of our network and which should enable us to capitalize on the increased traffic and volumes of our new branches. We believe that our new branches will benefit from our strong brand awareness and existing marketing campaigns, and consequently should require only limited incremental marketing support.

Furthermore, our offering in some of these countries is not as comprehensive as in France. For example, our business in Germany largely relies on the rental of equipment within our Access product category. Additionally, we do not yet offer our Specialist solutions in certain of these markets outside France. In Denmark, we intend to keep consolidating the market and reinforce the one-stop-shop strategy of GSV. We believe that we have room to grow both by expanding our network and our product offering within our international markets, either organically or through accretive acquisitions.

As we expand our international presence, we intend to implement our decentralized operational model in all of our geographies, including rolling out our cluster management system that is built around giving a high level of autonomy to our local personnel, as is currently applied in our French network. We also seek to deploy our best practices (including our safety, protection and prevention policy), to our international operations in order to create synergies and improve the quality of our services throughout. We believe that there are significant opportunities to identify, foster and apply best practices developed in France and internationally throughout our network.

Although we intend to expand our international footprint in the markets where we are already present and potentially enter new markets, as part of our disciplined M&A approach we also intend to retain flexibility as to the timing, manner and structure of any entry into new geographic or product markets and are continuously reviewing such opportunities.

Maintain our commitment to help protect people and the planet

The safety of our employees and customers is of critical importance to us. Product safety and public perception that our products are of good quality, safe and healthy are essential to our reputation and brand and are therefore a top priority. We work to make construction practices safer. For years we have developed a strategy around communication, feedback, risk analysis, product development, training and management practices supporting prevention, including initiatives with suppliers and customers, in order to achieve our goal of minimizing accidents.

As part of our strategy to minimize risks, we own a young fleet of carefully selected high-quality equipment. We conduct regular audits of our fleet in order to ensure the products we rent are fully functional and safe to operate. We apply stringent standards as part of our quality assurance system and have a dedicated team that monitors the safety and quality of our products and compliance with legal requirements and our internal policies. We provide safety-related training for our employees at the branch level and our customers, including training dedicated to risk prevention. We also share safety information with the public through our YouTube channel. In 2017, we joined the International Powered Access Federation, whose main objective is to promote the safe and effective use of powered Access equipment. This international organization plays a major role in the advancement of a large number of design, security, and testing procedures. Additionally, we hold ISO 9001 and MASE certifications, which recognize our policies to reduce the risk of accidents, comply with legislation and improve safety and working conditions. Further, we recently developed and launched KARE, our safety equipment offering consisting of connected and intelligent KARE safety vests, which are designed to avoid collisions of pedestrian employees and machines and for which we have received the 2023 innovation prize at the Preventica Paris fair. 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. Our long-standing relationships with our suppliers also position us 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. In 2010, we implemented our first carbon footprint program and in 2012, we were one of the first equipment rental players in Europe to become a member of the UN Global Compact program, the world's largest corporate sustainability initiative. We issued our first corporate social responsibility report ("*Rapport de Responsabilité Sociétale des Entreprises*") in 2016 and have released updated reports

on an annual basis since. This report summarizes our initiatives and results relating to customer service, safety and security, respecting the environment and corporate governance. We aim to minimize our environmental footprint and seek to achieve that by improving the quality of our fleet. For example, consistent with our commitment to reduce CO2 by 40% in 2030 and reaching carbon neutrality by 2050, we have been investing since 2018 in natural gas-powered delivery trucks and electric vehicles to reduce the CO2 emissions of our transports.

As a result of our best practices, we have received a number of awards for and recognitions of our corporate social responsibility. For example, we obtained a EcoVadis 2023 Gold level certificate for the fifth consecutive year, being ranked in the top 4% of companies noted for their corporate social responsibility, and standing out with our environmental actions and health, safety and prevention policy. Furthermore, we received in 2023 the "Good Economy" Gold Prize for our environmental commitment. We intend to remain at the forefront of our industry as a leader for safety, quality, responsibility and sustainability.

History and development

Kiloutou was founded in 1980 by Francis (Franky) Mulliez in Lille (Nord Pas-de-Calais), France, as the first French light equipment and tool rental chain serving both businesses and individuals. Since our creation, we have expanded our business across France, growing both organically and through a number of strategic acquisitions, including the acquisition of Hugon in 2004 and, following the investment of Sagard Private Equity in our business in 2005, the acquisition of Réseau Pro in 2008. In 2011, PAI Partners bought a controlling stake in our business, becoming a shareholder in our Group alongside Sagard Private Equity, our founder, members of our management and certain employees. In 2018, HLD Europe and HLDI acquired control of our Group. HLDI (controlled by Dentressangle SAS), HLD Europe and other co-investors currently hold approximately 66.99% equity stake in our Group. The remaining shares are held by certain managers, employees, retired managers and others (18.66%) and our founder and his family and certain other individual investors (14.16%).

Over the years, we have also strategically expanded into activities that are complementary to our original core focus on equipment and tool rentals (part of our Specialist business line). For example, we entered the events and reception rental business in 2012 through the acquisition of Top Loc Réception (currently Loca Réception), which has been operating in the Rhône Alpes since 1989. Loca Réception offers services such as table setting, marquees, furniture, decoration and logistics for different types of events, including openings, exhibitions, product launches and sports events, serving both professional and private customers. With the acquisitions of AKMO, Landrau C.E.B., the Contains business, Tora Location, LocaModule and MC Loc, between 2015 and 2020, we started and strengthened our Module product category and became a recognized player in the rental of modular buildings under the brand "Kiloutou Modules." In 2022, we also acquired Jamart Location to pursue our development. In 2016, we developed our Power category with the acquisition of Compagnie Atlantique de Location (currently Kiloutou Energie), which has been a major player in the Greater Southwest of France for nearly 45 years.

We began expanding our business beyond France in 2014 with the acquisitions of EWPA Majster and Tytanium Rental in Poland. Between 2015 and 2017, we entered the Spanish, German and Italian markets through acquisitions of local companies. Since 2018, we completed 11 international bolt-on acquisitions, six in Germany with the recent acquisition of UKA+HAUKE Arbeitsbühnen, two in Italy and three in Spain, and we have established a presence in Denmark and in Portugal through the acquisitions of GSV and Grupo Vendap, respectively. For further details about our recent acquisitions, see "*Management's discussion and analysis of financial condition and results of operations—Factors affecting comparability of results—Recent acquisitions*."

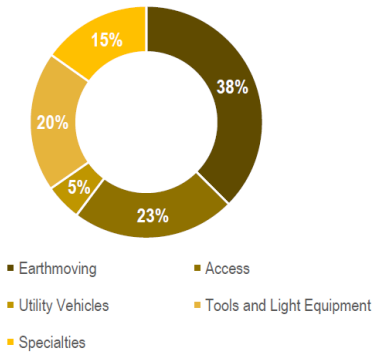
Products and services

We operate across two complementary business activities: Rental and Services.

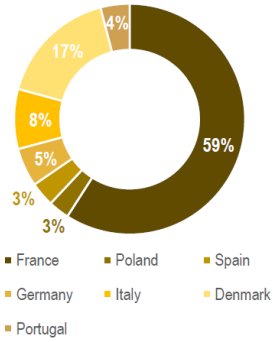
Rental activities

Within our Rental activities, we offer approximately 1,000 different types of general construction and industrial equipment and tools, as well as energy and pumping solutions, modular buildings and events equipment. Most of our rentals are short-term. We also offer long-term rentals, with durations of over twelve months. We have a young and well-maintained equipment fleet that, as of December 31, 2022, consisted of more than 265,000 tools and pieces of equipment (excluding accessories) with a gross book value of €2.1 billion as of September 30, 2023 (excluding IFRS 16 leases), out of which 40% are assets financed by leasing. Our fleet value is split across our product lines and geographies as follows:

Fleet value by product line as of September 30, 2023[1]



Fleet value by geography as of September 30, 2023



(1) In France, fleet normative value includes equipment under IFRS 16 leases.

We estimate that, as of December 31, 2022, our French Generalist equipment fleet had an estimated weighted average age of 4.9 years (compared to 5.3 years in 2016) and an estimated weighted average useful life of over ten years. Our Rental activities consists of two complementary business lines: Generalist and Specialist, which are discussed further below.

Generalist

Our integrated offering includes the rental of a wide range of products principally used in public works, construction and renovation sites, green spaces, equipment transportation and commercial and industrial maintenance. Our Generalist offering comprises four product categories:

- **Tools and light** equipment, which comprises an offering of approximately 730 types of equipment with an average age of 5.1 years, including small earthmoving equipment, work site accessories, saws, perforators, sanding equipment, scaffolding, trailers, handling equipment, various small tools, cleaning, gardening, air conditioning, heating and dehumidification equipment, among others, which are mainly used in construction and renovation projects as well as craftwork and do-it-yourself projects.
- **Earthmoving**, which comprises an offering of approximately 160 types of equipment with an average age of 4.8 years, including (i) earthmoving equipment, including excavators, loaders and dumpers, which are designed for digging, lifting, loading, moving and building materials, (ii) telescopic handlers, which are used to lift and transport materials and (iii) compacting equipment, such as 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;
- **Access**, which is comprised of approximately 100 types of access and handling equipment with an average age of 5.6 years, including forklifts, masts, electric powered scissor lifts, fuel powered scissor lifts, electric powered articulating booms, self-propelled booms, telescopic booms and truck-mounted platforms; and
- **Utility** vehicles, which include the rental of approximately 10 types of vans with an average age of 1.7 years, tipper trucks and other utility vehicles.

Specialist

Our Specialist business line in France includes four main product categories:

- **Power**, which, through our subsidiary Kiloutou Energie, offers temporary energy and pumping solutions, including high performance equipment (such as generators and pumps) and programming solutions to ensure the continuity of our customers' operations. Our equipment is mainly used for site remediation, earthworks, groundwater pumping and other construction, agricultural and public works, as well as for various events;
- **Module**, which, through Kiloutou Module S.A.S. rents modular buildings such as temporary housing, changing rooms, toilets, catering units, office spaces, meeting rooms and classrooms, mainly used in industrial sites, work sites, military sites and various events;
- **Events**, which, through our subsidiary Loca Réception, rents a range of high-quality products, such as marquees, tableware, furniture and decoration for events, including openings, exhibitions, product launches and sports events, serving both professional and private customers; and

- **Signaling**, which launched early 2020 through our subsidiary Kiloutou Signalisation, and offers signaling and fencing equipment in the greater Paris area for construction, infrastructure and event customers.

We also offer Specialties in our international network, in particular:

- **Modular spaces**, in Denmark, Germany and Portugal;
- **Portable toilets**, in Portugal;
- **Fixed scaffoldings**, in Spain; and
- **Long-term industrial forklifts for rent**, in Italy.

Services activities

Our Services activities offerings complement and support our Rental activities offerings, creating cross-selling opportunities for us. We believe our Services offering is highly valued by our customers. Our Services offering include six principal service categories:

- **Transportation and delivery**, which includes on-site delivery service for any kind of equipment depending on category and distance;
- **Consumables**, which includes the sale of captive consumables adapted to our equipment fleet (including consumables fitted to equipment we rent, as well as cross-sales of consumables such as diamond blades and sandpaper, safety equipment and oil), as well as cross-sales of consumables including but not limited to sandpaper and paint;
- **Insurance**, which includes insurance coverage that we offer to customers in connection with our rental agreements;
- **Cleaning and repair**, which includes maintenance, repair and overhaul of equipment and cleaning that is not otherwise included in the warranties connected with our equipment. We generally enter into long-term contracts (*i.e.,* longer than twelve months) that provide for regular maintenance service and periodic inspections to ensure that our equipment is kept in good repair and used safely and efficiently;
- **Subrentals**, which offers a service that helps us meet customer demand for highly specialized equipment that is not included in our catalogue (such as high-rise mobile elevating work platforms and under-bridge boom lifts), by leveraging a large network of qualified and ultra-specialized third-party partners; and
- **Training**, which includes a catalogue of training courses and the ability to provide a professional certification for the safe operation of platforms and forklifts, construction equipment or stackers.

In addition to the above, we provide other services such as (i) site diagnosis (*e.g.*, accurate assessment of production rhythm and secure installation of certain materials on-site) and embedded telematics (*e.g.*, geolocation and analysis as well as site access and authorization, such as digicodes and magnetic cards), (ii) worksite management in Denmark through GSV's Solutions service offering, (iii) logistics, table setting and decoration services for our customers in our Events business line, and (iv) sale of products.

International presence

We operate in seven European countries: France, Denmark, Italy, Germany, Spain, Poland and Portugal.

France is our largest market, accounting for €751.0 million, or 63.5%, of revenue in the twelve months ended September 30, 2023. We have a dense network that is structured and organized across 459 branches, where 427 Generalist branches are grouped into 59 clusters across 14 regions, with highly visible locations and a high degree of autonomy at the cluster level. For more information about how we organize our branches and clusters, see "*—Fleet management*" and "*—Our network of branches*." In the three years ended December 31, 2023, we further densified our network through the acquisition of regional generalist players in Auvergne-Rhône-Alpes (La Centrale De Location/Bernard Location) and in the North and Normandy regions (Salmat/Jean-Bart Location). We also strengthened our offering in the Module product category with the acquisitions of Locamodul SAS, Samlloc Modulaire SAS, MC LOC SAS and Jamart Location.

Our Danish business accounted for €195.3 million, or 16.5%, of revenue for the twelve months ended September 30, 2023. We now have 19 branches in Denmark and have been further strengthening our reach by relying on the experience and

expertise of GSV's teams to continue developing the business through organic growth, new branch openings and broadening our product offering. In particular, we expanded our Module Specialist business line to Denmark where we also provide a Solutions service offering, which is a comprehensive worksite management service.

Our Italian business accounted for €66.8 million, or 5.6%, of revenue in the twelve months ended September 30, 2023. We entered the Italian market in 2017 and currently have a regional presence in the northern regions of Lombardy, Emilia Romagna, Veneto and Friuli Venezia Giulia. We principally offer products from our Generalist business line which operates under the Kiloutou brand and operate a long-term industrial forklift rental business as part of our Specialist business line.

Our Portuguese business accounted for €55.3 million, or 4.7%, of revenue for the twelve months ended September 30, 2023. We have a national and regional presence with 18 branches throughout the country serving small to large national customers in the civil engineering, construction and public sectors with a diversified offering and products including Modules & Portable Toilets (part of our Specialist business line).

Our German business accounted for €51.0 million, or 4.3%, of revenue in the twelve months ended September 30, 2023. We began operating in Germany in 2016 and, at present, principally offer Access and Module equipment and operate mainly under the Kiloutou brand. We believe we are among the top ten Access equipment providers in Germany, where we have a significant regional presence in its key regions, with well-positioned branches located in Berlin, Hamburg, Rostock and Cologne. We focus on construction and industrial customers with low pricing sensitivity, offering specialized equipment tailored to our customers' needs and providing high-quality technical service (including repair work on-site and customer advice). Since December 2019, we completed the acquisition of Werner Middeke Arbeitsbühnenvermietung, a specialist in the rental of powered access equipment in the North Rhine-Westphalia and Thuringia regions and Wiesecker Werkzeugvermietung, an access and earthmoving equipment rental specialist located in the Hessen region. We have also strengthened our operations in Thuringia and expanded into Saxony through the acquisition of UKA+HAUKE Arbeitsbühnen, a specialist in the rental of powered access equipment.

Our Spanish business accounted for €34.1 million, or 2.9%, of revenue in the twelve months ended September 30, 2023. We principally offer products from our Generalist business line, with most of our revenue deriving from the rental of Tools and Light Equipment and Earthmoving equipment and ancillary services (in particular, Transportation and Delivery and Insurance). We also operate a business of fixed scaffolding rentals (part of our Specialist business line). We are present in the central and northeast regions of Spain, with branches located in the communities of Catalonia, Madrid, Navarra, Basque Country and Aragon, where we operate under the Kiloutou brand. In the two years ended December 31, 2022, we completed the acquisition of the Diaz Miquelez group, a leading general equipment and scaffolding rental player in the La Rioja region and Almaq S.A., a leading earthmoving equipment rental player in the city of Zaragoza and in the Aragon area.

Our Polish business accounted for €29.8 million, or 2.5%, of revenue in the twelve months ended September 30, 2023. We have a national presence in the Polish market, principally offering products from our Generalist business line (in particular, Earthmoving, Access and Tools and Light Equipment). Since 2014, we have fully integrated our acquired businesses under the Kiloutou brand and optimized our commercial organization in Poland. In April 2019, we received the first ISO 9001 certification granted to a rental business in Poland and received two awards in March 2023: Construction Company of the Year and Industry Personality. As a result, we are highly rated in Poland for customer service quality, equipment and scale of operations.

Customers

We have a diversified customer base of over 400,000 customers, ranging from construction companies, civil work companies, craftspeople, services and industry companies and individuals. In the year ended December 31, 2022, 96% of our revenue from our French generalist business was from companies (business-to-business), with the remainder of our revenue being from individuals.

Our customers' size varies from individuals to small- and medium-sized companies ("**SMEs**") and large blue chip companies, such as large construction and civil engineering groups.

Our network of branches enables us to provide tailored and attentive services to local and regional customers, while our well-developed full-service infrastructure allows us to effectively service multi-regional, national and international accounts. Our integrated strategy enables us to satisfy customer requirements and increase revenue from customers through cross-selling opportunities presented by the various products and services that we offer.

Our customers' typical journey starts with a first contact, either in-person at one of our branches, over the phone or online. Once we understand the customer's needs, we offer quotes so that the customer can decide whether to place an order. The

customer can then decide whether to pick up the products or to contact our delivery services (our pick-up and delivery mix was approximately 41%/59% in 2022). The average duration of our rental period was from five to ten days in 2022. We also offer long-term rentals, with durations of over twelve months.

With our largest customers and our Key Accounts, we negotiate framework agreements establishing pricing policies for our equipment. These agreements typically have a duration of one to two years but do not include exclusivity or volume commitments. Such customers represented 67.8% of our revenue in France as of December 31, 2022, and included our top ten customers. Outside of France, we enter into these agreements with a limited number of customers and they typically have a duration of approximately one year. All other customers are subject to our standard terms and conditions. While we establish our price list at a national level, branches negotiate directly with their customers and may offer rebates or discounts within a pre-determined range for the customers that do not have a negotiated price list. We are generally able to raise or negotiate prices when contracts are renewed. If we do not have a contract with the customer, we typically increase the price immediately.

In the year ended December 31, 2022, Kiloutou S.A.S.'s top ten customers accounted for 23.9% of Kiloutou S.A.S.'s revenue and no single customer accounted for more than 10% of Kiloutou S.A.S.'s revenue. 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. Our bad debt ratio was 0.4% of our revenue in the year ended December 31, 2022.

We track and monitor our customers' satisfaction by conducting monthly surveys with approximately 1,500 customers. Our NPS ((*i.e.*, the difference between the share of satisfied promoters (satisfaction grade between nine and ten) and the share of detractors (satisfaction grade between one and six)) grew over the past four years (from 30.3% in 2016 to 53.7% as of September 30, 2023). Due in part to our commitment to customer satisfaction, we have a loyal customer base, with approximately 83% of our revenue for the year ended December 31, 2022, deriving from recurring customers (defined as customers to whom a sale has been made in two consecutive years). We also implement this strategy focused on customer satisfaction in the other countries in which we operate, as illustrated, for example, by high NPS levels in Denmark (75% year to date as of September 30, 2023).

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 cluster and/or branch level; (ii) regionally, through commercial managers operating under the regional managers; and (iii) centrally, through our dedicated, centralized sales and marketing team. Branch managers, cluster managers and regional commercial managers develop relationships with local and regional 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 their area through industry reports and local contacts. In addition, due to the nature of the equipment they supply, our Specialist branches are often in contact with customers at the early phases of large construction or civil engineering projects, which we believe creates opportunities for cross-selling and cross-promotion that also benefit our Generalist branches.

Our local presence also allows us to maintain routine contact with and proximity to our customers.

We have additional marketing and service initiatives at a centralized level to offer integrated services and prioritize strong relationships with our customers. These initiatives include:

- **UnikCall**, our dedicated services to our largest customers who source equipment in a number of locations (either in France or internationally) and prefer centralized handling of their accounts. UnikCall centralizes all their rental requests through a single point person and manages, remotely and in real time, and enables order fulfilment across branches;
- **Kiloutou Global Services**, our central service to organize sub-rentals of equipment; and
- **Loyalty programs**, our specialty programs such as *Le contrat pro*, which is tailored for our business-to-business customers through seven special services.

We leverage our quality, safety and environmental certifications, including our ISO 9001 certification for product quality and our Manual for the Improvement of Safety in Enterprises ("**MASE**") certification for employee safety, which we believe are factors used by some of our larger customers in selecting their rental partners. In addition, most of our branches

in France, Poland and Spain have been certified to ISO 9001. We have also been members of the UN Global Compact program, the world's largest corporate sustainability initiative, since 2012.

Rental fleet

We have a young and well-maintained fleet consisting of more than 265,000 tools and pieces of equipment (excluding accessories) as of December 31, 2022. As of December 31, 2022, we estimate that our French Generalist equipment fleet had an estimated weighted average age of 4.9 years (compared to 5.3 years in 2016) and an estimated weighted average useful life of over ten years.

We strive to offer a large variety of equipment and we believe that our rental fleet is one of the most extensive fleets in France, representing approximately 1,000 different types of equipment and tools. As of September 30, 2023, our fleet had a gross book value of €2.1 billion (excluding IFRS 16 leases), out of which 40% are assets financed by leasing.

Fleet management

Our approach with respect to fleet management is to provide regional, cluster and branch managers with wide autonomy to develop their business and manage their own equipment with the objective of maximizing each branch's own profitability, but with central fleet managers being able to monitor and assist in fleet management across branches, clusters and regions to ensure overall network efficiency.

Fleet management organization

We believe we have an efficient fleet organization, which is separated into three levels (national, regional and local) with a centralized maintenance staff and regional and local or on-site teams.

- **National.** The national equipment management team is in charge of defining guidance and strategy for the following activities: (i) purchasing and supply; (ii) maintenance process; (iii) fleet management in the network and (iv) second-hand sales.
- **Regional.** At a regional level, regional equipment directors, maintenance staff and technical staff work together to assess our customers' needs. Our regional equipment directors are in charge of technical, strategic and overall management of their region. Regional maintenance staff are mainly responsible for Access and Earthmoving equipment maintenance in several regional hubs. Finally, our regional technical staff are in charge of in-field repairs for Tools and Light Equipment and Utility Vehicles. They also supervise spare parts purchases for their local area.
- **Local.** At a local level, cluster managers and branch directors are responsible for day-to-day local technical staff management in each branch. Our local technical staff are in charge of Tools and Light Equipment and Utility Vehicles repairs in each branch. In each cluster, one to three larger branches have technicians and the appropriate tools to repair large or specialized pieces of equipment, such as Earthmoving and Access equipment.

This proactive fleet management approach ensures optimization of our fleet, consistent product availability across branches, clusters and regions.

Fleet management strategy

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. As part of our decentralized business model, following an assessment of customers' needs, branch directors track branch inventory levels and may autonomously transfer equipment from one branch to another within a cluster for an indefinite period to fill gaps in their branch's inventory. No approval is required from the regional equipment directors to move equipment within a cluster. We also aim to ensure that transfers between clusters are possible when needed.

Our budget for fleet investment is established annually by the national equipment management team, which sets out the Group's capital expenditure plan for the year. In practice, as part of our purchasing process and strategy, our customer needs are assessed locally. Each branch director provides his or her equipment needs (the number and types of machines) for the coming year to the regional equipment directors. Regional equipment directors, in consultation with branch directors, set commercial objectives and adapt the requests to the budget, allowing them to respond to trends at the local level. Branch equipment requirements are then aggregated, first at a regional level and then at a national level. The consolidated requests are given to the national equipment management team for review, which makes any required

adjustments and delivers approvals to the regional equipment directors. Purchasing decisions are made according to a systematic cost-benefit analysis. 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 basis ranging from one to 20 years depending on the type of equipment. 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, which help determine the desired replacement cycle. Most metrics are based on repair costs relative to rental income, utilization rate and age. At the end of an item's useful life, 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 also 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. In addition, preventative maintenance enables us to increase fleet lifetime and ensure maximum fleet availability. Maintenance and daily checks of small equipment in the fleet are performed at each branch.

Suppliers

We purchase the equipment in our rental fleet and spare parts used therein from large, recognized original equipment manufacturers who we believe have the best product quality and support, and we typically choose to work with several manufacturers per equipment range. Our suppliers are located in multiple countries, mainly in Europe and Asia. Despite delivery times for key equipment and supplies used in our business being currently at a normal level, we have historically experienced certain disturbances in our global supply chains and sourcing of electronic components. For instance, we experienced supply chain difficulties in 2022, which temporarily increased the delivery time of our trucks, machines (forklifts, shovels and loaders) and containers from an estimated nine to 12 months prior to the summer of 2021, to 15 months and up to 18 months, respectively in 2022. Although such disturbances have subsided, we, like our customers and competitors, remain exposed to the risk that the delivery of new equipment will be delayed. We also believe our exposure to this risk is limited, as we renew on average 10% of our fleet every year and we are managing the disruption by anticipating our orders and by carefully monitoring our fleet levels. If we suffer from long-term delays or cancellations, we are able to delay the resale of our used equipment to maintain a stable fleet. This risk is also offset by increased demand from customers becoming more reliant on equipment rental when new equipment is scarce.

As a result, we are not dependent on a single supplier for any type of equipment or in any particular country. We have no long-term agreements with our suppliers and no volume commitments or exclusivity clauses apply to these relationships. We negotiate with our suppliers on an order-by-order basis. In the year ended December 31, 2022, our largest fleet suppliers were Manitou, Volvo, Haulotte, JCB and Wacker France, which accounted for approximately 38.1% of our equipment purchases. Furthermore, we typically solicit bids through a tender process with selected manufacturers in an effort to optimize the prices we pay for our fleet equipment. We also work in cooperation with our suppliers to adapt our fleet equipment to customer needs and limit maintenance costs.

Our Ethical Purchasing Charter (the "**Ethical Charter**") sets the Group's level of ethical and integrity requirement. Implemented in 2016, the Ethical Charter formalizes the commitments expected from our suppliers in terms of ethics, anti-corruption, human rights standards, international labor standards and health protection. The Ethical Charter is accompanied by a questionnaire to be completed by suppliers and a CSR audit.

Each piece of equipment we purchase is thoroughly tested and screened before being rented to customers. The Lesquin Testing Center—which we believe is the only one of its kind in Europe—has for the past ten years verified and validated all our equipment available for rent, including new equipment, manufacturer modifications to existing products and samples. All testing is carried out under real-world conditions with the objective of ensuring the highest quality for all of our equipment.

Our network of branches

As of September 30, 2023, we had a network of 595 branches, primarily located in France. The table below shows the number of branches we operate in each country:

Country	Branches
France	459
Denmark	19
Portugal	18
Italy	24
Germany	19
Spain	23
Poland	33
Total	**595**

Our business model combines a centrally-determined strategy, budget and back-office operations, with wide autonomy for regional, cluster and branch managers to develop their business and spend their budget allocation, which allows us to quickly and efficiently adapt at the local level to meet our customers' needs in different markets. In France, branches that serve the same geographic area and customer base form a cluster, which is a local network of branches. As of September 30, 2023, we had 459 branches with 427 Generalist branches grouped into 59 clusters across 14 regions in France. We believe that our network of clusters optimizes our fleet allocation and leads to better management of our branches at a local level by empowering our staff with a high degree of autonomy. Each branch manages its own fleet and budget and is responsible for bringing in business by developing local relationships and monitoring local construction sites. Branches in each cluster 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 customers. A typical branch includes a branch director, 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 and clusters located 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 customers at the local level. Our decentralized business model allows us to adapt our equipment fleet at the branch level in order to meet our customers' needs in various markets, offering them a value-added alternative to owning and maintaining equipment in-house. Our dense and capillary network of branches in several markets allows us to meet customer demand by moving equipment across branches.

We are in the process of rolling out our decentralized cluster business model outside of France. In Poland and Spain, where we have relatively broad networks, we are already using our cluster business model. We have also started to deploy this model in Germany, and may do so in Italy and Denmark in the future. In Denmark and Portugal, where we acquired companies with an established structure, we are coordinating with their local management to establish an optimized network that they will monitor and adapt depending on market conditions.

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 unnecessary 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 geographic 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.

Branches in France and international branches

Most of our branches are located in France. Of our 459 branches in France as of September 30, 2023, 427 were Generalist branches and 32 were Specialist branches. Our branches are typically located in industrial zones in or near medium and large metropolitan areas. Our broad geographic coverage in France reduces our exposure to regional variations in economic activity.

Our Generalist branches in France operate under the Kiloutou brand. Our Specialist branches operate under the brands Kiloutou Energie (12 branches), Kiloutou Module (12 branches), Loca Réception (4 branches) and Kiloutou Signalisation (4 branches).

In Denmark, Portugal and Poland, where we operate a dense network, we compete at a national level and enjoy strong competitive positioning. In Spain, Germany, Italy and Portugal we generally compete at a regional level. Our international branches (other than in Denmark and Portugal) operate under the Kiloutou brand.

Branch ownership and leasing

We lease the vast majority of our facilities in order to maintain flexibility in growing and developing our network and to be able to respond to demographic and other changes in the areas where we operate and to the customers we serve. As of September 30, 2023, we owned 41 premises and leased the remainder. Most of these leases provide for standard terms and renewal options.

Most of our French branches are leased pursuant to commercial leases (*baux commerciaux*) which grant significant rights under French law to lessees as compared to leases in many other jurisdictions, including in relation to duration, rent and termination, and in particular the lessee's right of renewal, which the lessor can generally avoid only by indemnifying the lessee. Most of these commercial leases are for nine-year terms (the statutory minimum) and provide termination rights for the tenant at the end of each three-year period upon a six-month prior notice. The rent paid under most of our commercial lease agreements is a fixed sum which is annually reviewed based on the variation of national rental indices (*e.g.*, the *indice du coût de la construction—ICC* and the *indice des loyers commerciaux—ILC*). In addition, in accordance with applicable regulations governing commercial leases, commercial rents can be adjusted upon the renewal of the lease in certain cases, and if not mutually agreed, may be determined by a competent court.

In other countries, our leases generally provide for standard terms under the relevant national laws and regulations. We generally negotiate these leases with a view towards maintaining a certain level of flexibility so that we can fine-tune our network as needed from time to time. Generally, rent adjustment upon renewal of our leases is based on market value.

Administrative premises

In addition to the branches in our rental network, we lease a small number of premises for administrative and logistics purposes. Our corporate headquarters are leased and are located in Villeneuve-d'Ascq, Lille, France.

Employees

As of December 31, 2022, we had approximately 6,882 employees (approximately 76% of which were based in France), nearly all of which were salaried personnel. Our employees perform the following functions, among others: sales operations, parts operations, rental operations, maintenance and repair and other technical services 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.

Many of our employees are represented by various works councils, unions and other employee representative bodies and are subject to collective bargaining or works council agreements. We may become subject to additional agreements or experience labor disruptions which may result in higher operating costs over time.

We believe that we generally have good relationships with our employees, unions, works councils and other employee representative bodies, although we have had disputes from time to time with employees as part of the ordinary course of business. We have recently been awarded, for the tenth year in a row, the Top Employers Institute's Top Employers Certification, which is granted exclusively to employers across the world offering top conditions to their staff.

We have not experienced a serious work interruption because of disputes between management and our employees or because of employee contract disputes. During the last five years, we have not experienced any strikes or work stoppages.

Seasonality

Although our business is not significantly impacted by seasonality, the demand for our rental equipment tends to be lower in the winter months, in particular our equipment rental activities related to commercial and industrial construction and maintenance activities. The severity of weather conditions can have a temporary impact on the level of construction activities, which can therefore impact equipment rental performance. Other rental and services activities are less affected by changes in demand caused by seasonality. Asset disposals typically occur towards the end of the year.

Information technology ("IT")

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 team is based in France and maintains our hardware and service the software we use. We use several ERP systems, all of which specialize in rental activity. Our IT systems track (i) rental inventory utilization statistics, (ii) maintenance and repair costs, (iii) returns on investment for specific equipment types, and (iv) detailed operational and financial information for each piece of equipment. These systems enable us to closely monitor our performance and actively manage our business, and include features that were custom designed to support our integrated services platform. The point-of-sale aspect of our systems enables us to link all of our branches, permitting universal access to real-time data concerning equipment located at the individual branch locations and the rental status and maintenance history for each piece of equipment. In addition, our systems include, among other features, on-line contract generation, automated billing, applicable sales tax computation and automated rental purchase option calculation.

We have also customized our customer relationship management system to enable us to more effectively manage our sales territories and sales representatives' activity. This customer relationship management system provides sales and customer information, available rental fleet and inventory information, a quote system and other organizational tools to assist our sales forces. We maintain an extensive customer database which allows us to monitor the status and maintenance history of our customers' owned-equipment and enables us to more effectively provide parts and services to meet their needs. All of our critical systems run on servers and other equipment that is current technology and available from major suppliers and serviceable through existing maintenance agreements. Our next generation of equipment includes telematics capabilities, such as sensors and devices that wirelessly transmit data from the sensors to the cloud in the internet. Our software in the cloud can be programmed to alert us on the malfunctioning or ill-use of our equipment on a real-time basis. A maintenance worker can be alerted and dispatched to review the equipment.

We have taken steps to enhance the safety of our IT systems. We have a savings and restoration program to protect most of our operations and IT systems, including our ERP systems, in case of disruption or disaster.

Intellectual property

We use several trademarks, including "Kiloutou," "Kiloutou Module," "Kiloutou Energie," "Loca Réception," "Kiloutou Signalisation," "Vendap," "Sticar," "GSV," and "GSV Mennesker før maskiner" (*People before machines*) all of which enjoy high brand recognition in their home markets. "Kiloutou" is protected in the countries where we do business as well as in the EU and other countries worldwide.

Our trademarks, domain names, copyrights and all of our other intellectual property are important assets that afford protection to our business. Our success depends to a degree upon our ability to protect and preserve certain proprietary aspects of our technology and our brands. To ensure that objective, we control access to our proprietary technology. Our employees and consultants enter into confidentiality, nondisclosure and invention assignment agreements with us. We protect our rights to proprietary technology and confidential information in our business arrangements with third parties through confidentiality and other intellectual property and business agreements.

We hold a number of third-party patent and intellectual property license agreements that afford us rights under third-party patents, technology and other intellectual property, including for the use of certain material software applications. Such license agreements most often do not preclude either party from licensing its patents and technology to others, and may involve one-time payments or ongoing royalty obligations. We cannot ensure that future license agreements can or will be obtained or renewed on acceptable terms, or at all.

Environmental and safety matters

We are subject to comprehensive and frequently changing local, national and European Community-level laws and regulations, including those relating to discharges of substances to the air, water and land, the handling, storage, transportation, use and disposal of hazardous materials and wastes and the cleanup of properties affected by pollutants. Under these laws and regulations, we may be liable for, among other things, the cost of investigating and remediating contamination at our sites and fines and penalties for non-compliance. Our operations generally do not raise significant environmental risks, but we use hazardous materials to clean and maintain equipment and dispose of solid and hazardous waste and wastewater from equipment washing.

To our knowledge, there is no pending or likely remediation and compliance cost that could have a material adverse effect on our business. We cannot be certain, however, as to the potential financial impact on our business if new adverse environmental conditions are discovered or compliance or remediation costs are imposed that we do not currently anticipate.

We have a health, safety and protection policy in place in each of our geographies and we constantly measure and benchmark our safety performance across the countries in which we operate. IMPAKT is comprised of three major themes:

- **Environmental:** which includes controlling waste disposal processes, protecting soils from hazardous industrial waste (HIW), measuring electrical, gas, water and diesel fuel consumption and reducing the environmental impact of transport through transfer optimization;
- **Social:** ensuring employee safety and welfare by applying our three pillars, *i.e.*, COME (*VIENS)* (integrate new team members to ensure their success), LIVE (*VIS*) (help team members to become involved in our business) and GROW (*GRANDIS*) (ensure the development of our team members' skills so that they can continue growing); and
- **Economic:** ensuring customer safety and customer satisfaction in the use of our equipment and digitalizing customer data.

A team of coordinators accompanies the operational staff in understanding and implementing IMPAKT. The managers then encourage their team members to carry out the IMPAKT best practices and to measure their performance. Furthermore, we have an independent Certification Committee made up of a diverse group of stakeholders (including staff, customers, suppliers and third parties such as ADEME, CARSAT and Réseau Alliance) which is responsible for auditing our branches and deciding whether to certify each branch in order to ensure our processes are constantly enhanced.

As a result of our efforts, we obtained the Gold level in the business sustainability ratings provided by EcoVadis every year since 2019, being ranked among the top 5% companies noted for their corporate social responsibility. In 2021, we received an award from the French bank LCL for our sustainability strategy and believe that we were among the first of our peers to subscribe to sustainability-linked-loans.

We issued our first corporate and social responsibility report entitled "*Rapport de Responsabilité Sociétale des Entreprises*" in 2016 and have issued our 2022 report. This report summarizes our commitment to customer service, safety, the environment and ethical corporate governance. As part of our CSR policy, we announced on January 13, 2021, that we were aiming by 2030 to reduce our CO2 emissions by 40% compared to 2018. To meet these targets, we defined an environmental strategy which aims to reduce the carbon footprint of both our direct activities (transports and agencies) and indirect activities (the use of equipment). In addition, we are also working on pilot projects which will enable us to progressively reduce indirect emissions from our activities, including:

- faster replacement of the fleet of heavy vehicles and vans used to deliver equipment with alternative-energy vehicles (fueled by liquefied natural gas or compressed natural gas);
- continuation of the branch renovation and construction program to meet energy and environmental regulatory requirements; and
- transition to alternative-energy equipment through our IMPAKT product line. In France, 22.7% of our 2023 investments in motorized equipment for operational and customer use were hybrid, bi-energy and electric. We currently have a new range of more than 3,500 electric, hybrid and bi-energy alternative equipment types and have launched our fast chargers that are capable of charging electrical earthmoving equipment ten times faster than the chargers currently in use on a 32 amp electrical socket.

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-risk industrial policy, direct or indirect loss, cyber risk policy and include coverage for, among other things, employee-related occupational accidents and injuries, property damage, fraud, theft or vandalism of equipment, machinery break-down, and damage and injury that could be caused to third parties by poorly-maintained equipment, as well as directors and officers insurance. Our insurance coverage is in some cases subject to customary exclusions. We consider our insurance coverage to be adequate both as to types of risks and amounts for our business. We have not had any material claims that were not covered under our insurance policies.

Legal proceedings

From time to time, we are party to certain pending investigations or civil or criminal 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*." 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

Group executive committee

Our day-to-day operations for the Group are managed by our non-statutory Group Executive Committee. The Group Executive Committee currently consists of eight members as follows.

Name	Position
Olivier Colleau	Group Chief Executive Officer
Jan-Luc Ambre	Chief Financial Officer
Pierre Knoché	Managing Director of Kiloutou France
François Renault	Chief Fleet & Sustainability Officer
Xavier Raynaud	Chief Information Officer
David Lamiaux	Human Resources Officer
Thibault Le Chatelier	Chief International Officer
Vincent Ranaivoson	Chief Transformation Officer

The following is a brief description of the experience of each of the members of the Group Executive Committee.

Olivier Colleau. Mr. Colleau is our Group Chief Executive Officer and Chief Executive Officer for France. A graduate of HEC, he started his career at Bain & Company France in 1995. After ten years, he took over the Marine Division at Zodiac Marine & Pool. In 2009, he joined our Group as Head of Strategy and Development serving at this position from 2009 to 2011. He was promoted to lead the French network in 2011 and in 2016 he became the Group Chief Executive Officer.

Jan-Luc Ambre. A graduate of EDHEC in 1995, Mr. Ambre began his career at PricewaterhouseCoopers, later joining Castorama as Group Financial Controller. In 2003, he joined the Group being initially responsible for the management control and project finance for the redesign of the IS Back Office, and later becoming Head of Group Controlling and Cash Management. He has served as Chief Financial Officer of France since 2012, and, since 2018, for the Group.

Pierre Knoché. A graduate of the engineering school Central Paris in 1999, Mr. Knoché began his career as a research and development engineer and then moved to strategy consulting, first at KPMG Consulting France, then at Stratorg in 2003, before joining BCG from 2006 to 2012 as a consulting manager and consulting principal. In 2012, he joined Elior as vice president in charge of commercial strategy and procurement and was promoted to become managing director of the health division in 2015 and of the education division in 2018. He has been Managing Director of Kiloutou France since September 2020.

François Renault. Mr. Renault holds a DESS in Business Administration (IAE) and is a graduate of École Centrale de Lille. He joined the Bouygues Group as an engineer before joining Auchan France, where he served in various technical and managerial capacities for eleven years. Mr. Renault joined the Group as Technical Director in 2002 and has since undertaken a number of technical and managerial role within the Group. He is currently Chief Fleet & Sustainability Officer.

Xavier Raynaud. A graduate of the Paris School of Business in 1993, Mr. Raynaud began his career as Deputy Administrative and Financial Director at Vinci Hong Kong. Returning to France in 1995, he joined Nexter as Management Controller in charge of the manufacture of armored vehicles. In 1997, he moved into consulting, joining Axys Consultants as Director. From 2005, he served the Sodexo Group as Director of the SAP Europe Competence Center before being appointed CIO France for the Sodexo Group in 2009 and then CIO Europe in 2015. He joined the Group in February 2019.

David Lamiaux. Mr. Lamiaux joined the Group in 1996 with a Master 2 in Business Law and a Master 2 in Social Law. Beginning his career as a business lawyer, he later became Director of Legal Affairs before creating the Kiloutou Human Resources Department in 2003. Having spent his entire career with the Group, he now heads the Human Resources Department.

Thibault Le Chatelier. A graduate of Centrale Supélec in 1997, Mr. Le Chatelier began his career at Elis, later joining Schindler Group as field operation director followed by general manager and president of PT Berca Schindler lifts in Indonesia. He joined the Group in 2022 as Chief International Officer.

Vincent Ranaivoson. A graduate of HEC Business School in 2012, Mr. Ranaivoson joined Roland Berger where he led multiple projects in Europe, Africa and the Middle East in telecommunications, new technologies and the automotive industry. He completed his career with entrepreneurial experiences in Madagascar in the food industry and in Côte d'Ivoire

where he founded in 2016 an on-demand gas delivery company. In 2019, he joined the Group as Strategy Manager and was appointed as Chief Transformation Officer in 2020.

Supervisory Board

The Supervisory Board (*comité de surveillance*) of Kapla Holding S.A.S. (the "**Board**") is the Group's principal governing body. The Board is currently composed of ten members and includes one external member and one member appointed by Mr. Francis Mulliez and his family. Pursuant to the Shareholders' Agreement (as defined below), resolutions may be decided by a simple majority except for reserved matters for which approval of the Sponsors is required. The Board oversees the conduct of the Group's business, including delegations of the Board's authority to directors and the Executive Committee. The Board also establishes committees to ensure oversight of the Group's operations.

Consultative committees

Audit committee

Our audit committee is currently composed of four individuals, including our Chief Financial Officer. The role of the audit committee is to examine the half-year and annual financial statements of the Group. The audit committee meets at least twice per year.

Compensation committee

Our compensation committee is currently composed of four individuals, including our Chief Executive Officer. The role of the compensation committee is to report and advise on remuneration matters with respect to the Group's officers. The compensation committee meets at least once per year.

Acquisition committee

Our acquisition committee is currently composed of four individuals, including our Chief Executive Officer. The role of the acquisition committee is to examine potential acquisition opportunities in accordance with the Group's strategy. The acquisition committee meets whenever required.

PRINCIPAL SHAREHOLDERS

Shareholders

Our share capital is comprised of 93,237,241 ordinary shares, 394,362,759 preferred "ADPR TF" shares, 17,693,378 "ADPR C1" shares and 6,311,347 "ADPR C2" shares, all of which have the same voting rights except for "ADPR C1" shares which do not have voting rights (collectively, the "**Shares**").

The table below lists our shareholders as of the date of the offering memorandum.

Shareholder	Number of shares	Percentage of share capital	Percentage of voting rights
FinKapla[(1)]	342,712,747	66.99%	69.07%
Managers, employees, retired managers and others[(2)]	95,433,790	18.66%	16.06%
Mr. Francis Mulliez and his family[(3)]	67,564,171	13.21%	13.68%
Other individual investors	4,845,378	0.95%	0.98%
Kapla Holding S.A.S. (treasury shares)	1,048,639	0.19%	0.21%
Total	**511,604,725**	**100.00%**	**100.00%**

(1) FinKapla is an investment vehicle controlled, directly or indirectly, by funds controlled or managed by the Sponsors.

(2) Shares held, directly or indirectly as part of the employee share plan, by managers and employees. See "*—Employee share plan.*"

(3) Mr. Francis Mulliez is the founder of Kiloutou.

Employee share plan

We have an employee share plan, which allows managers and employees to purchase, directly or indirectly via investment vehicles (Kiman AO, Kiman ADP, Kiplus AO, Kiplus ADP, Kiman International and FCPE "Les Kiloutiens"), equity interests in the share capital of the Issuer, under the same terms as those for external investors. In connection with the GSV Acquisition, certain senior managers of GSV have invested in the Group.

Other securities giving access to our share capital

We have outstanding convertible bonds which are directly owned by certain shareholders of FinKapla, Mr. Francis Mulliez and his family and other individual investors. The initial aggregate principal amount of the convertible bonds was €165.0 million. The relative ownership percentage of the Shares may vary in the event any such convertible bonds are exercised.

Free shares

In accordance with our existing employee share plan, we may issue additional free shares in the form of "ADPR C2" shares (*Attribution Gratuite d'Actions de Préférence de Catégorie 2*) to eligible managers and employees. On February 6, 2023, we have authorized the issuance of additional ADPR C2 shares as part of a management package and which we expect to issue in February 2024. The aggregate principal amount of ADPR C2 shares to be issued may not exceed 0.36% of the share capital of the Issuer and we are currently below that limit.

Shareholders agreement

On February 15, 2018, the Issuer's shareholders entered into a shareholders' agreement (as subsequently amended and restated, the "**Shareholders' Agreement**"). The Shareholders' Agreement contains provisions regarding the corporate governance of the Issuer and certain other rights and restrictions, including tag and drag-along rights, associated with the transfer of the Issuer's securities. Pursuant to the Shareholders' Agreement, the Sponsors were generally prohibited from transferring their securities until February 15, 2023 and the other shareholders are generally prohibited from transferring their securities until February 28, 2028.

CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS

We enter into transactions with certain related parties or our affiliates from time to time and in the ordinary course of our business. We believe that these agreements are on terms no more favorable to the related parties or our affiliates than they would expect to negotiate with disinterested third parties. In addition to these ordinary course transactions, we have also entered into the following transactions with related parties.

On February 15, 2018, HLDI S.A.S. ("**HLDI**") and the Issuer entered into a management assistance agreement (*Convention d'assistance*). Pursuant to the agreement, HLDI will provide, among other things, its expertise and support to the Issuer in assessing, structuring, financing and implementing strategic acquisition and refinancing transactions.

On March 12, 2019, Dentressangle S.A.S., an entity that controls directly or indirectly HLDI, and the Issuer entered into a management agreement (*Convention d'animation stratégique*). Pursuant to the agreement, Dentressangle S.A.S. will provide support to the Issuer in determining, assessing and implementing the Group's strategy.

On February 15, 2018, in connection with the acquisition of the Group by the Sponsors, the Issuer issued convertible bonds to certain of its shareholders for an original principal amount of €165.0 million. These convertible bonds bear interest at a rate of 9.09% per annum, payable in kind. The convertible bonds are unsecured, and will be subordinated to the Notes and the Notes Guarantees pursuant to the Intercreditor Agreement. As of September 30, 2023, we had €165.0 million outstanding under the convertible bonds, which comprises the principal amount thereof and accrued interest of €104.2 million, and excludes the effect of capitalized debt issue costs. The holders of the convertible bonds have approved the extension of the maturity date of such bonds to February 15, 2031.

The Group from time to time enters into sale and leaseback transactions with its shareholders for real estate assets as a way to proactively manage the capital intensity of its business.

DESCRIPTION OF CERTAIN FINANCING ARRANGEMENTS

The following summary of certain provisions of the documents listed below governing certain of our indebtedness does not purport to be complete and is subject to, and qualified in its entirety by reference to, the underlying documents. Capitalized terms used in the following summaries not otherwise defined in these listing particulars have the meanings ascribed to them in their respective agreement.

Revolving Credit Facility Agreement

The Issuer and certain of its subsidiaries are party to a revolving credit facility agreement dated December 12, 2019 (the "**Revolving Credit Facility Agreement**") with the arrangers referred to therein, the original lenders referred to therein, BNP Paribas as agent (the "**Facility Agent**") and as security agent (the "**Security Agent**") for the purposes described below. The Issuer and Kiloutou S.A.S. are borrowers and Kiloutou Module S.A.S. and Kiloutou Danmark are guarantors under the Revolving Credit Facility Agreement. See "—*Security and guarantees*." The Revolving Credit Facility Agreement provides for a revolving credit facility (the "**Revolving Credit Facility**") of up to a maximum aggregate principal amount of €180.0 million, on a committed basis.

The Revolving Credit Facility can be utilized by way of loans in euros, pound sterling, Swiss francs and U.S. dollars. The Group has suspended its rights to request utilizations in pound sterling, Swiss francs and U.S. dollars until such time as it has implemented, with the agreement of the Revolving Credit Facility lenders, the changes to the Revolving Credit Facility Agreement required to take account of the cessation of LIBOR funding rates.

The Revolving Credit Facility will be used to finance the working capital and general corporate needs of the Issuer and its restricted subsidiaries (the "**Restricted Group**"), subject to certain restrictions, such as making any Notes Purchase (as defined below).

Additional facilities

The Revolving Credit Facility Agreement includes the ability for the Issuer at any time (and without restrictions as to the number of times) and the relevant lender(s) (which are not required to be existing lenders under the Revolving Credit Facility) to increase the total commitments by establishing one or more additional revolving credit facilities (each an "**Additional Facility**") under the Revolving Credit Facility Agreement, *provided* that the aggregate amount of the total commitments under all Additional Facilities at such time does not, as a result of the establishment of such Additional Facilities, exceed the greater of (i) €30.0 million and (ii) 60% of the adjusted consolidated EBITDA minus €120.0 million, for the Relevant Period (as defined below) based on the most recently delivered quarterly financial statements. Each Additional Facility will rank *pari passu* with the Revolving Credit Facility and will benefit from the same guarantees and security as the Revolving Credit Facility.

Conditions to borrowing

Drawdowns under the Revolving Credit Facility will be subject to certain conditions precedent that must be satisfied on the date the drawdown is requested and on the drawdown date. A non-exhaustive list of these conditions is set forth below:

- in the case of rollover loans, no notice of acceleration in respect of an event of default under the Revolving Credit Facility has been delivered and is outstanding and the relevant borrower is not in a state of *cessation des paiements*;
- in the case of a utilization to fund an acquisition not prohibited by the covenants to be contained therein, the absence of customary "certain funds" drawstop events; and
- in the case of any other utilization: (A) no default is continuing or would occur as a result of the making of the proposed utilization; (B) the repeating representations specified in the Revolving Credit Facility Agreement are true in all material respects on the date of the utilization request and the utilization date; and (C) the Issuer provides confirmation to the Facility Agent that (by reference to Consolidated EBITDA as at the last quarter date (or such later date as the Issuer elects to deliver more recent financial statements) prior to drawing) the Total Net Debt Leverage Ratio (as defined below) would have been complied with on the most recent quarter date for which a compliance certificate has been delivered to the Facility Agent under the Revolving Credit Facility (or such later date as the Issuer elects to deliver more recent financial statements) *pro forma* for the proposed utilization (in the event that such utilization is made to finance an acquisition not prohibited by the covenants governing the Notes including a *pro forma* adjustment to Consolidated EBITDA to take into account such acquisition), it being specified that (x) the condition set forth in paragraph (C) shall not apply if the aggregate amount of all outstanding cash utilizations (taking into account the proposed utilization and the repayments of outstanding loans to be made on the proposed utilization date (if any)) will be less than 40% of the total commitments on the proposed utilization date; and (y) if the Issuer is unable to confirm that the Total Net Debt Leverage Ratio would have been complied

with, the Issuer shall only be able to utilize the Revolving Credit Facility up to an amount which would not breach the Total Net Debt Leverage Ratio *pro forma* for the proposed utilization.

Repayments and prepayments

Each loan drawn under each Revolving Credit Facility and any Additional Facility must be repaid on the last day of the interest period relating thereto.

The Revolving Credit Facility will mature on the June 12, 2026. Lenders with Revolving Credit Facility commitments in an aggregate amount of €176.0 million have granted the Issuer an option to extend the maturity of their Revolving Facility commitments to a date no later than June 12, 2028, subject to the conditions set out therein and, in particular, that the 2026 Notes and the 2027 Notes are reduced to an aggregate principal amount not exceeding €50.0 million and that the extended maturity date of the Revolving Facility falls no earlier than six months prior to the maturity of any outstanding 2026 Notes or any indebtedness designated as Pari Passu Debt Liabilities under the Intercreditor Agreement. If, at any time after the extension option is exercised, any new indebtedness is designated as Pari Passu Debt Liabilities under the Intercreditor Agreement, the Revolving Credit Facility includes a springing maturity mechanism to automatically reduce the maturity of the Revolving Credit Facility if required for the maturity date of the Revolving Facility to fall no earlier than six months prior to the maturity of any outstanding 2026 Notes or any indebtedness designated as Pari Passu Debt Liabilities under the Intercreditor Agreement (in each case, other than in relation to an aggregate amount of indebtedness thereunder not exceeding €50.0 million).

The maturity of any Additional Facility will be determined by the Issuer and the relevant Additional Facility Lenders provided that the maturity of any Additional Facility shall be no earlier than the final maturity date of the Revolving Credit Facility.

Any amount still outstanding under the Revolving Credit Facility or any Additional Facility at the applicable maturity date will be immediately due and payable.

Subject to certain conditions, we may voluntarily prepay our utilizations and/or permanently cancel all or part of the available commitments under the Revolving Credit Facility in a minimum amount of €1.0 million by giving three business days' prior notice to the Facility Agent (or such shorter period as the majority lenders under the Revolving Credit Facility Agreement may agree). Any prepayments under the Revolving Credit Facility Agreement (other than in the case of a prepayment due to illegality or in relation to a single lender) will be applied *pro rata* to each lender's participation. We may re-borrow amounts prepaid or repaid in accordance with the terms of the Revolving Credit Facility Agreement.

In addition to voluntary prepayments, the Revolving Credit Facility will require mandatory prepayment (or, as the case may be, an offer to do so) in full or in part in certain circumstances, including: (1) with respect to any lender under the Revolving Credit Facility, if it is or will become unlawful for such lender to perform any of its obligations under the Revolving Credit Facility; (2) a "Change of Control" occurs (which will also include, in addition to a "Change of Control" under the caption "*Description of the Notes—Certain definitions*," the Issuer ceasing to own directly one 100% of the shares of Kiloutou S.A.S., or ceasing to own directly equity share capital having the right to cast more than 100% of the voting rights capable of being cast in the general shareholders meetings of Kiloutou S.A.S. or ceases to own the right to appoint all of the directors of the board (or the equivalent body) of Kiloutou S.A.S.); or (3) the sale of all or substantially all of the assets of the Group (whether in a single transaction or series of related transactions).

Interest and fees

Drawings under the Revolving Credit Facility in euros bear interest at a rate per annum equal to EURIBOR plus a margin of between 2.00% and 2.75% per annum, calculated and adjusted by reference to the level of the Total Net Debt Leverage Ratio, in accordance with the provisions of the Revolving Credit Facility Agreement. In relation to any Additional Facility, the rate per annum will be specified by the Issuer in the relevant additional facility accession certificate.

A commitment fee will be payable to each lender, quarterly in arrears, on the available but unused commitments under the Revolving Credit Facility at a rate of 35% of the margin applicable to the relevant facility.

We are also required to pay certain customary fees to the Facility 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.

Security and guarantees

The Issuer and Kiloutou S.A.S. are the borrowers under the Revolving Credit Facility Agreement. The Revolving Credit Facility is guaranteed irrevocably and unconditionally on a joint and several basis by the Issuer and the Guarantors. Such guarantees rank *pari passu* in right of payment with the guarantees of the Notes, pursuant to the terms of the Intercreditor Agreement.

The Revolving Credit Facility is, or will be, secured by first-priority interests in the Collateral. Pursuant to the terms of the Intercreditor Agreement, creditors under the Revolving Credit Facility Agreement and certain hedging obligations, if any, will have the right to receive priority with respect to proceeds from enforcement of security over the Collateral. See "— *Intercreditor Agreement*" below.

Covenants

The Revolving Credit Facility Agreement contains customary positive and negative covenants. Set forth below is a brief description of such covenants, all of which are subject to certain materiality, knowledge or other qualifications, exceptions and/or baskets.

Affirmative covenants

The Revolving Credit Facility Agreement contains certain affirmative covenants, which require, *inter alia*: (i) maintenance of relevant authorizations; (ii) compliance with laws, including environment laws and regulations; (iii) anti-bribery, anti-corruption and anti-money laundering laws; (iv) taxation; (v) ensuring that its obligations under the finance documents rank at least *pari passu* with the claims of any other creditors; (vi) maintenance of insurance; (vii) maintenance of intellectual property rights; (viii) maintenance in good working order and condition (except for ordinary wear and tear) all of its assets necessary or desirable in the conduct of its business; and (ix) access to the premises, assets, book accounts and records of the borrowers and guarantors in certain circumstances.

Negative covenants

The Revolving Credit Facility Agreement contains certain negative covenants that largely replicate those contained in the 2026 Indenture. The Revolving Credit Facility Agreement also requires each borrower and guarantor (and in certain circumstances any other member of the Restricted Group) to observe certain other negative covenants, including, *inter alia*: (i) changing the general nature of the business; and (ii) changing the center of main interest.

Financial covenant

The Revolving Credit Facility Agreement also requires the Issuer to comply with a financial covenant requiring that the ratio of consolidated total net debt (being the aggregate amount of all outstanding consolidated Indebtedness of the Group which is not subordinated in right of payment to the obligations of the obligors under the Revolving Credit Facility Agreement (including, for the avoidance of doubt, Capitalized Lease Obligations)), *less* any amount of cash and cash equivalents held by the Group to Consolidated EBITDA (being Consolidated EBITDA as adjusted for Certified Synergies) (defined the Revolving Credit Facility Agreement provided that, solely for the purpose of the Revolving Credit Facility Agreement, such Certified Synergies shall be (i) subject to a cap on the aggregate amount of certified synergies taken into account in respect of any relevant period which shall be equal to 15% of Consolidated EBITDA; and (ii) limited to those that are reasonable and achievable within 18 months.) (such ratio, the "**Total Net Debt Leverage Ratio**") must not exceed 7.20:1 (the "**Leverage Covenant**").

The Issuer can elect to cure a breach of the Leverage Covenant with new shareholder injections, within a specified timeframe and subject to the conditions set out in the Revolving Credit Facility Agreement.

The Revolving Credit Facility Agreement provides that the Leverage Covenant will be tested quarterly by reference to the compliance certificate delivered to the Facility Agent in respect of a period of four consecutive financial quarters ending on a quarter date (the "**Relevant Period**").

The Total Net Debt Leverage Ratio will not be required to be tested for any purpose unless on the last day of the applicable Relevant Period the aggregate of all outstanding loans (excluding, for the avoidance of doubt, utilizations by way of letters of credit or guarantees) under the Revolving Credit Facility Agreement calculated by reference to such compliance certificate is equal to or greater than 40% of the total commitments at that time.

In addition, the Revolving Credit Facility Agreement requires the provision of customary financial and other information to the lenders thereunder.

Note purchase condition

The Revolving Credit Facility Agreement includes restrictions on the ability of any member of the Group to prepay, purchase, defease, redeem or acquire (or otherwise retire for value) (a "**Notes Purchase**"): (i) the 2026 Notes; (ii) any notes issued that rank *pari passu* with the 2026 Notes (including the 2027 Notes and the Notes offered hereby); and (iii) any permitted refinancing indebtedness in relation to (i) and (ii) (together, the "**Relevant Debt**"). No member of the Group may make a legally binding commitment or offer to purchase the Relevant Debt except where no event of default under the Revolving Credit Facility is continuing or would result from the Notes Purchase and:

- the aggregate principal amount outstanding of the Relevant Debt immediately following the Notes Purchase is or would exceed 50% of the original principal amount of all components of the Relevant Debt on the issue or incurrence date of each component;

- the aggregate principal amount outstanding of the Relevant Debt immediately following the Notes Purchase is or would be less than 50% of the original principal amount of all components of the Relevant Debt on the issue or incurrence date of each component and:

- the Revolving Credit Facility is, at the time the Notes Purchase completes, cancelled in the same proportion as (y) the amount by which the aggregate principal amount then outstanding of the Relevant Debt is less than 50% of the sum of the original principal amount of all components of the Relevant Debt on the issue or incurrence date of each component bears to (z) 50% of the original aggregate principal amount of the Relevant Debt on the issue or incurrence date of each component; and

- following such cancellation, the relevant borrowers must promptly (and by no later than three business days after the cancellation or, if later, at the end of the then-current interest period for the relevant Revolving Credit Facility utilization) make such prepayment necessary to ensure that the amount of all utilizations under the Revolving Credit Facility does not exceed the then total commitments under the Revolving Credit Facility;

- the Notes Purchase is funded from the proceeds of Refinancing Indebtedness provided that such Refinancing Indebtedness has a final stated maturity that is no earlier than that of the Notes and has a weighted average life to maturity that is equal to or greater than the weighted average life to maturity of the Notes (or a financing bridging a refinancing satisfying such conditions);

- the Notes Purchase is funded directly or indirectly by new shareholder injections; or

- the Notes Purchase is made following the occurrence of a Change of Control (as described under "*—Repayments and prepayments*").

Events of default

The Revolving Credit Facility Agreement contains customary events of default (subject in certain cases to agreed grace periods, thresholds and other qualifications), including a cross default with respect to an event of default under, and as defined in, the Indenture, the occurrence of which would allow the lenders to accelerate all or part of the outstanding utilizations and/or terminate their commitments and/or declare all or part of their utilizations are payable on demand.

Governing law

The Revolving Credit Facility Agreement is governed by English law except for the restrictive covenants and certain Events of Default, which are construed in accordance with New York law.

Intercreditor Agreement

To establish the relative rights of certain creditors under the financing arrangements, the Issuer, each of Kiloutou S.A.S., Kiloutou Module S.A.S., Kiloutou Danmark and certain other members of the Group (together, along with any other members of the Group that accede to the Intercreditor Agreement from time to time, the "**Debtors**"), have entered into an intercreditor agreement dated December 12, 2019 with, among others, the agent under the Revolving Credit Facility Agreement, the agent under the Senior Term Loan Facility, BNP Paribas as Security Agent, the revolving lenders under the Revolving Credit Facility and BNY Mellon Corporate Trustee Services Limited as trustee for the 2026 Notes and for the 2027 Notes. On the Issue Date, the Trustee acceded to the Intercreditor Agreement in respect of the Notes.

Unless stated otherwise, capitalized terms set forth and used in the remainder of this section entitled "*—Intercreditor Agreement*" have the same meanings as set forth in the Intercreditor Agreement, which may have different meanings from the meanings given to such terms used elsewhere in these listing particulars.

Furthermore, it is contemplated that in the event of a future refinancing of the 2026 Notes (and subject to any required consent of lenders under the Revolving Credit Facility) the Intercreditor Agreement will be amended in the following respects:

- to permit the incurrence of senior subordinated debt in the form of credit facilities;
- to clarify the treatment of escrow arrangements in relation to future debt issuance in note form;
- to amend certain provisions relating to proceeds loans,

such changes to be implemented by the execution of an amendment to, or amendment and restatement of, the Intercreditor Agreement (the "**Amended and Restated Intercreditor Agreement**") and taking effect in accordance with the terms thereof (such date, the "**Intercreditor Amendment Effective Date**").

The following description is a summary of certain provisions contained in the Intercreditor Agreement, to the extent applicable as may be amended on the Intercreditor Amendment Effective Date. It does not restate the Intercreditor Agreement in its entirety. As such, you are urged to read the Intercreditor Agreement, together with the proposed form of the Amended and Restated Intercreditor Agreement because such agreements, and not the description that follows, define (or, in the case of the Amended and Restated Intercreditor Agreement with effect from the Intercreditor Amendment Effective Date, will define) your rights as holders of the Notes.

From the Intercreditor Amendment Effective Date, except as otherwise specifically provided below, references to:

- Majority Senior Subordinated Note Creditors shall be interpreted as references to "**Majority Senior Subordinated Creditors**";
- Senior Subordinated Note Creditors shall be interpreted as references to "**Senior Subordinated Cred**itors";
- the Senior Subordinated Note Discharge Date shall be interpreted as references to the "**Senior Subordinated Debt Discharge Date**";
- Senior Subordinated Note Documents shall be interpreted as references to "**Senior Subordinated Debt Documents**";
- A Senior Subordinated Note Indenture shall be interpreted as references to a "**Senior Subordinated Debt Document**";
- Senior Subordinated Note Liabilities shall be interpreted as references to "**Senior Subordinated Debt Liabilities**";
- a Senior Subordinated Note Payment Stop Notice shall be interpreted as references to a "**Senior Subordinated Debt Payment Stop Notice**";
- a Senior Subordinated Note Standstill Period shall be interpreted as references to a "**Senior Subordinated Debt Standstill Period**";
- Senior Subordinated Note Trustee Amounts shall be interpreted as references to "**Senior Subordinated Creditor Representative Amounts**."

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 and will be deemed to have authorized and instructed the Trustee to (i) accede to the Intercreditor Agreement on the Issue Date and (ii) to accept, consent to and enter into the Amended and Restated Intercreditor Agreement and (iii) take any other actions or steps required to facilitate the execution of the Amended and Restated Intercreditor Agreement. References to the Intercreditor Agreement shall, with effect from the Intercreditor Amendment Effective Date, be interpreted as references to the Amended and Restated Intercreditor Agreement.

The Intercreditor Agreement sets out, 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 Security Agent holds all Transaction Security. As regards the Common Transaction Security (as defined in the Intercreditor Agreement) governed by the laws of France, the Security Agent holds such Security (as defined in the Intercreditor Agreement) as security agent (*agent des sûretés*) for the beneficiaries under Articles 2488-6 et seq. of the French Civil Code. As regards the Common Transaction Security governed by the laws of Denmark, the Security Agent holds such Security as agent and representative (*fuldmægtig og repræsentant*) for the beneficiaries pursuant to Section 18(1), cf. section 1(2), of the Danish Capital Markets Act.

As from the Intercreditor Amendment Effective Date, Common Transaction Security shall exclude any security interests granted over funds held pursuant to customary escrow arrangements (and/or rights over or with respect to any escrow account into which such funds are paid and all associated rights in relation thereto) prior to such funds being made freely available to a Debtor or a member of the Group following satisfaction of all conditions to release of such funds from such escrow arrangements in consideration for the issuance of Pari Passu Notes or Senior Subordinated Notes as permitted by the Intercreditor Agreement and the then existing Primary Creditor Debt Documents.

The Intercreditor Agreement also contains provisions relating to certain other and future permitted indebtedness, including:

- obligations to counterparties to certain hedging agreements permitted under the terms of the Credit Facility Documents, Pari Passu Debt Documents and Senior Subordinated Note Documents (each as defined below) 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 Revolving Credit Facility (excluding Hedging Liabilities) in respect of the Transaction Security and under the terms of the Intercreditor Agreement (such indebtedness, together with the Revolving Credit Facility, the "**Credit Facility Liabilities**," and the holders of such indebtedness, the "**Credit Facility Lenders**," and each finance document relating thereto, a "**Credit Facility Document**" and each such financing a "**Credit Facility**"); 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**").

Ranking and priority

Ranking and priority of liabilities

The Intercreditor Agreement provides that the liabilities shall rank in right and priority of payment in the following order and are postponed and subordinated to any prior-ranking liabilities as follows:

- *first*, the "**Super Senior Liabilities**," consisting of the Credit Facility Liabilities and any Hedging Liabilities solely in respect of the Credit Facility Liabilities, Pari Passu Debt Liabilities and Senior Subordinated Note Liabilities (as defined below) (provided that the notional amounts relating thereto constitute Designated Super Senior Hedged Amounts under the 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 (including but not limited to fees, expenses and disbursements of its legal counsel and its agents) 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 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 (including, as from the Intercreditor Amendment Effective Date, any Senior Subordinated Facility) (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**" and together with the Pari Passu Debt Documents, the "**Primary Creditor Debt Documents**") (excluding any Senior Subordinated Note Trustee Amounts).

The Intercreditor Agreement also provides that certain intercompany obligations of the Issuer and certain of its subsidiaries to other members of the Group (the "**Intra-Group Liabilities**") and investor debt consisting of liabilities owed to certain shareholders of the Issuer under Investor Documents (being each document evidencing any loan made by an Investor Creditor to the Parent or other indebtedness incurred by the Parent 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**"). The Intercreditor Agreement does not purport to rank any of the Investor Liabilities or the Intra-Group Liabilities as between themselves.

Subject to the section below entitled "—*Application of proceeds*," the Intercreditor Agreement does not prevent payment by the Debtors of certain fees, costs and expenses (as set out in further detail in the Intercreditor Agreement) owing to the representatives of the creditors in relation to the Credit Facility Liabilities, the Pari Passu Debt Liabilities and the Senior Subordinated Note Liabilities (each such representative, a "**Creditor Representative**").

Ranking and priority of security

The Intercreditor Agreement provides that the Transaction Security shall rank and secure the following liabilities (but only to the extent such Transaction Security is expressed to secure those liabilities) as follows:

- *first*, the Super Senior Liabilities, the Pari Passu Liabilities, 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 Intercreditor Agreement, the proceeds from an enforcement of Transaction Security are required to be applied as provided under the section below entitled "—*Application of proceeds.*"

Restrictions on credit facility liabilities, pari passu debt liabilities and senior subordinated note liabilities

Permitted payments: credit facility liabilities and pari passu debt liabilities

Prior to the occurrence of an Acceleration Event in respect of the Credit Facility Liabilities or the Pari Passu Debt Liabilities (a "**Senior Secured Acceleration Event**"), the Intercreditor Agreement imposes no restrictions on payments to be made in respect of the Credit Facility Liabilities pursuant to the Credit Facility Documents or the Pari Passu Debt Liabilities pursuant to the Pari Passu Debt Documents. Following a Senior Secured Acceleration Event, no member of the Group may make (and no Super Senior Creditor or Pari Passu Creditor (such creditors together, the "**Senior Secured Creditors**") may receive) payments of the Super Senior Liabilities or Pari Passu Liabilities (as applicable) except from, subject to certain exceptions, enforcement proceeds distributed in accordance with the section below entitled "—*Application of proceeds*."

Permitted payments: senior subordinated note liabilities

The Intercreditor Agreement restricts 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 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 term is defined in the Intercreditor Agreement) (the "**Required Pari Passu Creditors**") give prior consent to that payment being made; or

(c) the payment is of any 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 (as defined below) commences after the issue of a Senior Subordinated Note Payment Stop Notice, the date on which that Senior Subordinated Note Standstill Period 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 Intercreditor Agreement.

The ability of a Relevant Representative to deliver a Senior Subordinated Note Payment Stop Notice is 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 Intercreditor Agreement restricts 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 certain other 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 certain circumstances, following the occurrence of an insolvency event in relation to the Issuer (but only to the extent that such insolvency event did not arise as a result of any action taken by, or at the request of, a Senior Subordinated Note Creditor).

Ensuring priority of pari passu debt

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 Pari Passu Debt Liabilities may be secured with the ranking of contemplated in accordance with the terms of the 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 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 Intercreditor Agreement.

Major terms: senior subordinated notes

No liabilities shall constitute Senior Subordinated Notes for the purposes of the Intercreditor Agreement unless the following conditions are satisfied:

- the only issuer or borrower of the Senior Subordinated Notes shall be the Issuer or a holding company of 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 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.

In respect of the period prior to the Intercreditor Amendment Effective Date, the aggregate of all Senior Subordinated Note Liabilities and Investor Liabilities in the form of bonds or notes issued by the Issuer shall at no time exceed 60% of the aggregate outstanding amount of all Pari Passu Notes, all Senior Subordinated Notes and all Investor Liabilities in the form of bonds or notes issued by the Issuer that would vote in the same class of creditors in the context of any insolvency proceedings. This provision shall not be included in the Amended and Restated Intercreditor Agreement.

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 Intercreditor Agreement.

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 Note 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 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, subject to the circumstances as summarized below.

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 (i) the Senior Secured Discharge Date, the Majority Credit Facility Lenders and the Required Pari Passu Creditors and (ii) 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.

However, 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.

Following the Intercreditor Amendment Effective Date, the preceding provisions relating to Structural Intra-Group Liabilities shall only apply to the Existing Proceeds Loans.

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 the certain exceptions including those summarized in the sections below entitled "*—Enforcement of transaction security: majority super senior creditors*" and "*—Enforcement of transaction security: majority 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 (as to which, see the section below entitled "*—Enforcement principles*") before the Security Agent has received any enforcement instructions from the Majority Pari Passu Creditors.

Enforcement of transaction security: majority 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 (as defined below).

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

Each (i) 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 Intercreditor Agreement), and each creditor referred to in (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 Intercreditor Agreement or is itself required to do under the 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 the 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 Collateral 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 to 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 Debt Documents 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 Intercreditor Agreement to pay back any Recoveries by the Debtor prior to the Final Discharge Date in accordance with the provisions of the 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 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 the enforcement principles).

The enforcement principles are set out in a schedule to the Intercreditor Agreement and provide, among other things, that:

(a) it shall be the primary and over-riding aim of any enforcement to maximize, to the extent consistent with a prompt and expeditious realization of value and with the rights and obligations of the Security Agent under the terms of the 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 (as defined below) or liabilities sale in order to achieve a higher price;

(b) to the extent the Instructing Group is the Majority Super Senior Creditors, all proceeds of enforcement are received by the Security Agent in cash for distribution in accordance with the section below entitled "—*Application of proceeds*";

(c) to the extent the Instructing Group is the Majority Pari Passu Creditors: (i) all proceeds of enforcement are received by the Security Agent in cash for distribution in accordance with the section below entitled "—*Application of proceeds*" or (ii) sufficient proceeds from enforcement will be received by the Security Agent to ensure that, when the proceeds are applied in accordance with the section below entitled "—*Application of proceeds*," the Super Senior Discharge Date would occur (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 €5.0 million 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 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 revolving 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 Intercreditor Agreement provides that the Security Agent is irrevocably authorized and instructed to, among other things, release the Transaction Security or any other claim (relating to a Debt Document (as defined in the Intercreditor Agreement)) over that asset and, where the relevant asset consists of shares in the capital of a member of the Group, to release the Transaction Security or any other claim (relating to a Debt Document (as defined in the Intercreditor Agreement)) over 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 Intercreditor Agreement provides that the Security Agent is irrevocably authorized and instructed, among other things: (i) to release the Transaction Security or any other claim over the asset subject to the Distressed Disposal; (ii) if the asset subject to the Distressed Disposal consists of shares in the capital of a Debtor or a holding company of a Debtor, to release that Debtor or holding company and any subsidiary of that Debtor or holding company from all or any part of its liabilities under the Debt Documents (as defined in the Intercreditor Agreement) and Transaction Security granted by that Debtor or holding company or any subsidiary of that Debtor or holding company or any claims in respect of Intra-Group Liabilities or Investor Liabilities; (iii) if the asset subject to the Distressed Disposal consists of shares in the capital of a Debtor or a holding company of a Debtor, the disposal of all, or any part, of certain liabilities under the Debt Documents (as defined in the Intercreditor Agreement) and certain other liabilities, provided that, if it is intended that the transferee will not be treated as a Primary Creditor or secured party, the transferee will not be treated as a Primary Creditor or secured party, and, if it is intended that the transferee should be a Primary Creditor or secured party, then all, and not party only, of the liabilities owed to the Primary Creditors (other than to any Creditor Representative or arranger) and certain other liabilities shall be disposed of and (iv) if the asset subject to the Distressed Disposal consists of shares in the capital of a Debtor or holding company of a Debtor, the transfer to another Debtor of all or any part of the disposed entity's obligations under Intra-Group Liabilities or other liabilities owed to a Debtor.

The net proceeds from each Distressed Disposal and each debt disposal shall be paid to the Security Agent for application in accordance with the section below entitled "*—Application of proceeds*" below.

Certain limitations

The Intercreditor Agreement also includes 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 Intercreditor Agreement provides 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 (as defined in the Intercreditor Agreement) owed to any Senior Secured Creditor unless those liabilities (together with any other amounts owing to the Senior Secured Creditors) will be paid (or repaid) in full in cash, upon that release.

Effect of insolvency event

After the occurrence of an Insolvency Event in relation to any member of the Group, any party entitled to receive a payment or distribution out of the assets of that member of the Group (in the case of the Senior Secured Creditors, only to the extent that such amount constitutes enforcement proceeds) in respect of liabilities owed to that party shall, to the extent it is able to do so, direct the person responsible for the distribution of the assets of that member of the Group to make that distribution to the Security Agent until the liabilities owing to the secured parties have been paid in full and the Security Agent shall apply such distributions in accordance with the section below entitled "*—Application of proceeds*."

Turnover

Turnover by the primary creditors (other than the senior subordinated notes creditors)

The Intercreditor Agreement provides 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 Intercreditor Agreement; and

(b) in relation to receipts and recoveries received or recovered by way of set-off, promptly pay an amount equal to that recovery to the Security Agent for application in accordance with the terms of the Intercreditor Agreement.

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 the senior secured creditors)

The Intercreditor Agreement provides that if any of the creditors (other than a Senior Secured Creditor) receives or recovers:

(a) any payment or distribution in relation to any liability which is not either a permitted payment under the 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 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 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 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 Intercreditor Agreement.

Application of proceeds

The Intercreditor Agreement provides that all amounts received or recovered by the Security Agent pursuant to the sections above entitled "*—Effect of insolvency event*" and "*—Turnover*" or in connection with the realization or enforcement of all or any part of the Transaction Security or any other Distressed Disposal or otherwise paid to the Security Agent for application as summarized in this section shall be held by the Security Agent 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 Intercreditor Agreement;

(b) in discharging all costs and expenses incurred by any Primary Creditor in connection with any realization or enforcement of the Transaction Security taken in accordance with the terms of the Intercreditor Agreement or certain action taken at the request of the Security Agent;

(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 (as defined in the Intercreditor Agreement); and (B) the Super Senior Hedging Liabilities (on a pro rata basis between the Super Senior Hedging Liabilities of each Super Senior Hedge Counterparty), on a pro rata basis between sub-paragraph (A) and sub-paragraph (B);

(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 (as defined in the Intercreditor Agreement); and (B) the Pari Passu Debt Liabilities (in accordance with the terms of the relevant Pari Passu Debt Documents) on a pro rata basis between Pari Passu Debt Liabilities under separate Pari Passu Note Indentures (as defined in the Intercreditor Agreement); and (C) the Pari Passu Hedging Liabilities on a pro rata basis between the Pari Passu Hedging Liabilities of each Pari Passu Hedge Counterparty, on a pro rata basis between sub-paragraph (A), sub-paragraph (B) and sub-paragraph (C);

(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 Intercreditor Agreement provides that:

(a) if, for any reason, 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) if, for any reason, 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) if, for any reason, 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.

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.

Option to purchase

Following a Distress Event, some or all of the Pari Passu Noteholders and Pari Passu Lenders (as each term is defined in the Intercreditor Agreement) shall have an option (subject to the conditions set out in the Intercreditor Agreement) to purchase all (and not only part) of the Credit Facility Liabilities.

Following a Distress Event, some or all of the Senior Subordinated Noteholders shall have an option (subject to the conditions set out in the Intercreditor Agreement) to purchase all (and not only part) of the Credit Facility Liabilities and the Pari Passu Debt Liabilities.

Consents, amendments and override

Subject to certain exceptions, the Intercreditor Agreement provides 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 things: (i) the order of application or subordination under the Intercreditor Agreement or (ii) the provisions in respect of redistribution, the enforcement of Transaction Security, the application of proceeds, amendments and waivers, the effect of an insolvency event and turnover, which shall not be made without the consent of:

- the Creditor Representatives;
- the Credit Facility Lenders;
- each Pari Passu Note Trustee on behalf of the Pari Passu Noteholders (as each term is defined in the Intercreditor Agreement) in respect of which it is the Creditor Representative;
- the Pari Passu Lenders (as defined in the Intercreditor Agreement);
- 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.

It is however specified that 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 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 Intercreditor Agreement without the prior written consent of that party.

Unless expressly stated otherwise in the Intercreditor Agreement, the Intercreditor Agreement overrides anything in the Debt Documents (as defined in the Intercreditor Agreement) to the contrary.

Governing law

The Intercreditor Agreement is governed by English law.

2026 Notes

On December 12, 2019, the Issuer issued the 2026 Notes consisting of €400.0 million aggregate principal amount of the 2026 Floating Rate Notes and €460.0 million aggregate principal amount of the 2026 Fixed Rate Notes pursuant to the 2026 Indenture.

The 2026 Floating Rate Notes are subject to the Exchange Offer being made concurrently with the Offering and the Tender Offer. See "*Summary—The Transactions—Tender Offer and Exchange Offer*."

Guarantees and Security

The 2026 Notes are secured by first-priority security interests in the Collateral.

The 2026 Notes benefit from guarantees granted by the Guarantors. The relative priority of such security interests and guarantees are governed by the Intercreditor Agreement described under "*—Intercreditor Agreement*."

Interest

Interest on the 2026 Fixed Rate Notes

Interest on the 2026 Fixed Rate Notes accrues at the rate of 3.375% per annum and:

- accrues from the date of original issuance or, if interest has already been paid, from the date it was most recently paid;
- is payable in cash semi-annually in arrears on June 15 and December 15;
- is payable to the holder of record of the 2026 Fixed Rate Notes one Business Day prior to the date on which interest will be paid; and
- is computed on the minimum denomination on the basis of a 360-day year comprised of twelve 30-day months.

Interest on the 2026 Floating Rate Notes

Interest on the 2026 Floating Rate Notes accrues at a rate per annum equal to three month EURIBOR (subject to a 0% floor) *plus* 325 basis points and:

- accrues from the date of original issuance or, if interest has already been paid, from the date it was most recently paid;
- is payable in cash quarterly in arrears on March 15, June 15, September 15 and December 15;
- is payable to the holder of record of the 2026 Floating Rate Notes one Business Day prior to the date on which interest will be paid; and
- is computed on the minimum denomination on the basis of a 360-day year comprised of twelve 30-day months.

Optional Redemption

Optional Redemption of the 2026 Fixed Rate Notes

The Issuer may redeem all or part of the 2026 Fixed Rate Notes at the redemption prices (expressed as percentages of principal amount) set forth below, plus accrued and unpaid interest and Additional Amounts (as defined in the 2026 Indenture), if any, on the 2026 Fixed Rate Notes redeemed, to, but excluding the date of redemption, if redeemed during the twelve-month period beginning on December 15 of the years indicated below (subject to the rights of holders of the 2026 Fixed Rate Notes on the relevant record date to receive interest on the relevant interest payment date):

Year	Redemption Price
2023	100.844%
2024 and thereafter	100.000%

Optional Redemption of the 2026 Floating Rate Notes

The Issuer may redeem all or part of the 2026 Floating Rate Notes at par, plus accrued and unpaid interest and Additional Amounts (as defined in the 2026 Indenture), if any, on the 2026 Floating Rate Notes redeemed, to, but excluding the date of redemption.

Change of Control

Upon the occurrence of certain change of control events, each holder of the 2026 Notes may require the Issuer to repurchase all or a portion of the 2026 Notes at a purchase price equal to 101% of the principal amount of such 2026 Notes, plus accrued and unpaid interest and certain additional amounts, if any, to, but not including, the date of purchase.

Covenants and Events of Default

Pursuant to the 2026 Indenture, the Issuer and its restricted subsidiaries are required to observe certain covenants, which are substantially similar in nature to the covenants set out under "*Description of the Notes.*" The 2026 Indenture contains events of default that are also substantially similar to those set out in "*Description of the Notes.*"

Listing

The 2026 Notes are listed on the Securities Official List of the Luxembourg Stock Exchange.

Governing Law

The 2026 Indenture, the 2026 Notes, any related guarantees and the rights and duties of the parties thereunder are governed by and construed in accordance with the laws of the State of New York.

2027 Notes

On February 1, 2023, the Issuer issued the 2027 Notes consisting of €200.0 million aggregate principal amount of the Issuer's Senior Secured Floating Rate Notes due 2027 pursuant to the 2027 Indenture.

The 2027 Notes are subject to the Tender Offer being made concurrently with the Offering and the Exchange Offer. See "*Summary—The Transactions—Tender Offer and Exchange Offer*."

Guarantees and Security

The 2027 Notes are secured by first-priority security interests in the Collateral.

The 2027 Notes benefit from guarantees granted by the Guarantors. The relative priority of such security interests and guarantees are governed by the Intercreditor Agreement described under "*—Intercreditor Agreement*."

Interest

Interest on the 2027 Notes accrues at a rate per annum equal to three month EURIBOR (subject to a 0% floor) *plus* 550 basis points and:

- accrues from the date of original issuance or, if interest has already been paid, from the date it was most recently paid;
- is payable in cash quarterly in arrears on January 15, April 15, July 15 and October 15;
- is payable to the holder of record of the 2027 Notes one Business Day immediately preceding the related interest payment date; and
- is computed on the basis of a 360-day year comprised of twelve 30-day months.

Optional Redemption

The Issuer may redeem all or part of the 2027 Notes at the redemption prices (expressed as percentages of principal amount) set forth below, plus accrued and unpaid interest and Additional Amounts (as defined in the 2027 Indenture), if any, on the 2027 Notes redeemed, to, but excluding the date of redemption, if redeemed during the twelve-month period beginning on February 1 of the years indicated below (subject to the rights of holders of the 2027 Notes on the relevant record date to receive interest on the relevant interest payment date):

Year	Redemption Price
2024	101.000%
2025 and thereafter	100.000%

Change of Control

Upon the occurrence of certain change of control events, each holder of the 2027 Notes may require the Issuer to repurchase all or a portion of the 2027 Notes at a purchase price equal to 101% of the principal amount of such 2027 Notes, plus accrued and unpaid interest and certain additional amounts, if any, to, but not including, the date of purchase.

Covenants and Events of Default

Pursuant to the 2027 Indenture, the Issuer and its restricted subsidiaries are required to observe certain covenants, which are substantially similar in nature to the covenants set out under "*Description of the Notes.*" The 2027 Indenture contains events of default that are also substantially similar to those set out in "*Description of the Notes.*"

Listing

The 2027 Notes are listed on the Securities Official List of the Luxembourg Stock Exchange.

Governing Law

The 2027 Indenture, the 2027 Notes, any related guarantees and the rights and duties of the parties thereunder are governed by and construed in accordance with the laws of the State of New York.

Existing Proceeds Loans

On or about the issue date of the 2026 Notes, the Issuer, as lender, entered into an intercompany loan with Kiloutou S.A.S., as borrower, in the amount of €462.5 million (the "**2019 Proceeds Loan**"). The 2019 Proceeds Loan was used to refinance the indebtedness incurred by Kiloutou S.A.S. under previous senior credit facilities. The maturity date of the 2019 Proceeds Loan is the maturity date of the 2026 Notes. The 2019 Proceeds Loan is governed by French law.

On February 15, 2018, the Issuer, as lender, made available an intercompany loan to Kiloutou S.A.S., as borrower, for an initial amount of approximately €9.4 million (the "**2018 Proceeds Loan**"). The purpose of the 2018 Proceeds Loan was to finance transaction costs associated with the refinancing of its indebtedness at the time. The maturity date of the 2018 Proceeds Loan is February 15, 2028. The 2018 Proceeds Loan is governed by French law.

On the GSV Acquisition Completion Date, the Issuer used a portion of the proceeds of a bridge loan used to finance the acquisition of GSV to make an intercompany loan to Kiloutou S.A.S. in an amount of €146.0 million. Kiloutou S.A.S. used the proceeds of such intercompany loan, together with €45.0 million of cash on hand, to fund an equity contribution of €165.2 million to Kiloutou Danmark and to make an intercompany loan to Kiloutou Danmark in an amount of €25.8 million, which amounts were used by Kiloutou Danmark to pay the €190.1 million purchase price for the GSV Acquisition. We refer to the intercompany loans described in this paragraph as the "**GSV Proceeds Loans**." The maturity date of the GSV Proceeds Loans is April 7, 2027. The GSV Proceeds Loans are governed by French and Danish law, as applicable.

We refer to the "**Existing Proceeds Loans**" as the GSV Proceeds Loans, the 2018 Proceeds Loan and the 2019 Proceeds Loan, collectively.

Each of the Issuer's and Kiloutou S.A.S. has or will pledge its respective interests in the relevant receivables owing to it as lender under the Existing Proceeds Loans as part of the Collateral for the Notes, the 2026 Notes, the 2027 Notes, the Revolving Credit Facility and the Senior Term Loan Facility. Pursuant to the terms of the relevant Security Document and the Intercreditor Agreement, as applicable, the Issuer's ability to require the prepayment of, and Kiloutou S.A.S.'s ability to prepay, the Existing Proceeds Loans are restricted. The Existing Proceeds Loans constitute Pari Passu Structural Intra-Group Liabilities under the Intercreditor Agreement.

The Existing Proceeds Loans will be modified as to quantum, maturity and interest rate on or before the date falling thirty days after the Issue Date to align the relevant terms of the Notes and the Exchange Notes, as the case may be.

Finance leases

Various subsidiaries of the Group are party to a number of finance leases in respect of their equipment that is used in connection with our business. Providers of finance leases generally retain property interests over the relevant asset that is financed. Our finance leases were recorded as a liability of €385.5 million on our balance sheet as of September 30, 2023 (of which €139.5 million were at non-Guarantors) and will remain outstanding after the Transactions. Our finance leases generally have maturities of five years.

Our IFRS 16 leases are leases that would have been classified as operating leases prior to the implementation of IFRS 16. Of the €182.1 million of our IFRS 16 leases as of September 30, 2023, €100.5 million was owed by the Guarantors and €81.6 million was owed by other subsidiaries.

Bilateral and overdraft facilities

As of September 30, 2023, €18.1 million was outstanding under various unsecured bilateral loans (including a €6.0 million sustainability-linked loan), which were drawn by Kiloutou S.A.S and Kiloutou Module. Of our €59.1 million of bilateral and other loans, €20.7 million was owed by subsidiaries that are not Guarantors and thus considered "Senior Secured Indebtedness" under the 2026 Indenture, the 2027 Indenture and the Indenture. Our bilateral loans currently bear floating rates of interest with an average interest rate of EURIBOR plus 3.60%. The average maturity of such bilateral loans was three years as of December 31, 2022. The bilateral loans are governed by French law.

On November 15, 2022, Kiloutou S.A.S. entered into a French law-governed bilateral loan with Banque CIC Nord Ouest and Banque Européenne du Crédit Mutuel providing for an unsecured and unguaranteed €10 million facility amortizing over a period of 48 months and bearing an interest rate of 4.5%.

State-guaranteed Facility *(Prêt garanti par l'Etat)*

On July 20, 2020, Kiloutou S.A.S. entered into a state-guaranteed loan agreement (the "**PGE Loan**") with the original lenders referred to therein, BNP Paribas as agent for an aggregate amount of €125.0 million to finance the general corporate needs of Kiloutou S.A.S. and its subsidiaries resulting from the Covid-19 outbreak and its related consequences (including liquidity and working capital requirements).

The PGE Loan took the form of a *prêt garanti par l'Etat* in accordance with the provisions of article 6 of the French law n°2020-289 of March 23, 2020 as amended by the French law n°2020-473 dated April 25, 2020 and the French order (*arrêté ministériel*) dated March 23, 2020 issued by the *Ministère de l'Economie et des Finances* as amended on April 17, 2020, May 2, 2020 and May 6, 2020 (in each case, as may be further amended or supplemented from time to time).

Repayments and prepayment
Kiloutou has exercised its right to extend the initial termination date of the loan and accordingly the PGE Loan will mature on July 23, 2025.

At the time of the extension of the termination date, Kiloutou made a voluntary prepayment of €75.0 million with the outstanding balance of €50.0 million to amortize by equal instalments on a semi-annual basis over a period of four years. As of September 30, 2023 the outstanding balance of the PGE Loan was €25.0 million.

Kiloutou may voluntarily prepay the whole or any part of the loan in a minimum amount of €1.0 million by giving three business days' prior notice to the agent. We cannot re-borrow amounts prepaid or repaid in accordance with the terms of the PGE Loan.

In addition to voluntary prepayments, the PGE Loan requires mandatory prepayment (or, as the case may be, an offer to do so) in full or in part in certain circumstances, including: (1) a "Change of Control" occurs under the meaning of the Revolving Credit Facility Agreement; (2) a sale of all or substantially all of the assets of Kiloutou; (3) a listing of all or any part of the securities issued by any Group company; or (4) a loss of French state guarantee.

Interest and fees
The PGE Loan bears interest at a rate per annum equal to 3 months-EURIBOR plus a margin of 0.608657% per cent. per annum.

The Borrower shall pay to the agent a French state guarantee fee (calculated by reference to the principal amount outstanding) equal to 50 basis points for the first year of the PGE Loan; 100 basis points for second and third year; and 200 basis points for the fourth and fifth year.

Covenants
The PGE Loan contains customary positive and negative covenants which requires, *inter alia*: (i) maintenance of relevant authorizations; (ii) ensuring that its obligations under the finance documents rank at least pari passu with the claims of any other creditors; (iii) compliance with laws, including environment laws and regulations; (iv) not changing its center of main interest; (v) negative pledge unless the security is a permitted security under the Notes and the Revolving Credit Facility Agreement; (vi) not entering into any liquidation, amalgamation, demerger, merger, consolidation or corporate reconstruction or reorganization, other than to the extent the borrower will be the surviving entity; (vii) taxation; (viii) not changing the general nature of the business; (ix) maintenance in good working order and condition (except for ordinary wear and tear) all of its assets necessary or desirable in the conduct of its business; (x) anti-bribery, anti-corruption and anti-money laundering; (xi) sanctions and anti-terrorism laws; (xii) compliance with the use of proceeds.

Security and guarantees
The PGE Loan benefits from a guarantee from the French State in respect of 90% of the principal, interest and ancillary amounts owed under the loan. The guarantee is managed by Bpifrance Financement, on behalf of and under the control of the French State. The Group has not provided any guarantees or security in relation to the PGE Loan.

Events of default
The PGE Loan contains customary events of default (subject in certain cases to agreed grace periods, thresholds and other qualifications), including a cross default with respect to an event of default under, and as defined in, the 2026 Indenture and the Revolving Credit Facility Agreement.

Governing law
The PGE Loan is governed by French law.

Senior Term Loan Facility Agreement

On November 23, 2022, the Issuer entered into a senior term loan facility agreement (the "**Senior Term Loan Facility Agreement**") with certain lenders, Crédit Lyonnais as Coordinator, Sustainability Coordinator and Sustainability Agent, GLAS SAS, as Facility Agent, and the Security Agent, for an aggregate amount of €25.0 million (the "**Senior Term Loan Facility**") to finance the general corporate and working capital purposes of the Group (but excluding the direct or indirect financing of any acquisition). We drew the entire €25.0 million Senior Term Loan Facility on November 29, 2022.

The Senior Term Loan Facility Agreement contains customary affirmative and negative covenants and events of default that largely replicate those contained in the Revolving Credit Facility Agreement, except that (a) there is no springing maintenance financial covenant in the Senior Term Loan Facility Agreement, (b) there is no general cross-default event of default in respect of the Revolving Credit Facility but only a cross payment default and a cross-acceleration events of default, (c) the Group may not consummate acquisitions and certain other investments in joint ventures or under the permitted investment general basket unless the Group's Consolidated Net Leverage Ratio is equal to or less than 6.0 to 1.0 and (d) the Group may not incur any additional super senior indebtedness other than Credit Facilities (and any hedging in relation thereto) (as defined in section "*Description of certain financing arrangements -- Intercreditor Agreement*").

The Issuer will repay the Senior Term Loan Facility in equal instalments at the end of each three-month period after the date on which the facility is drawn until, and including, the final maturity date, which is October 30, 2026. We may voluntarily prepay the whole or any part of the loan in a minimum amount of €1.0 million by giving three business days' prior notice to the agent. We cannot re-borrow amounts prepaid or repaid in accordance with the terms of the Senior Term Loan Facility.

On January 19, 2024, we received confirmation from the lenders under the Senior Term Loan Facility Agreement of the waiver of the mandatory prepayment event provided for in the Senior Term Loan Facility Agreement that would otherwise be triggered by the redemption of some or all of the 2026 Notes.

The Senior Term Loan Facility bears interest at a rate per annum equal to 4.50% plus EURIBOR or €STR (in each case, with a zero floor). The Senior Term Loan Facility contemplates the possibility for additional margin adjustments based on certain sustainability-linked criteria to be agreed between the Issuer, Crédit Lyonnais as Sustainability Agent and all the lenders thereunder.

The Senior Term Loan Facility is, or will be, guaranteed on a joint and several basis by the Guarantors. Such guarantees rank or will rank *pari passu* in right of payment with the guarantees of the Notes, the 2026 Notes, the 2027 Notes and the Revolving Credit Facility pursuant to the terms of the Intercreditor Agreement. The Senior Term Loan Facility is, or will be, secured by first-priority interests in the Collateral pursuant to the terms of the Intercreditor Agreement.

The Senior Term Loan Facility Agreement is governed by English law except for the restrictive covenants and certain events of default, which are construed in accordance with New York law.

Stimulus Bonds (*Obligations Relance*)

On November 23, 2022, the Issuer entered into subscription agreements to issue €49.0 million of state-guaranteed stimulus bonds (*Obligations Relance*) (the "**2022 Stimulus Bonds**") in two tranches by way of private placements to the subscribers of such bonds, Fonds Obligations Relance France and Fonds Obligations Relance France – Eiffel Investment Group. We issued the 2022 Stimulus Bonds on November 25, 2022. The 2022 Stimulus Bonds will mature eight years after the issue date thereof.

Of the total aggregate principal amount of the 2022 Stimulus Bonds, 90% (€44.1 million) bear an interest rate of 6.15% per annum with the remainder (€4.9 million) bearing an interest rate of 8.15% per annum.

On December 29, 2023, the Issuer entered into subscription agreements to issue €5.0 million of state-guaranteed stimulus bonds (*Obligations Relance*) (the "**2023 Stimulus Bonds**," together with the 2022 Stimulus Bonds, the "**Stimulus Bonds**") in two tranches by way of private placements to the subscribers of such bonds, Fonds Obligations Relance France – Amundi Asset Management and Fonds Obligations Relance France – Amundi Asset Management – Compartiment n°2. We issued the 2023 Stimulus Bonds on December 29, 2023. The 2023 Stimulus Bonds will mature eight years after the issue date thereof.

Of the total aggregate principal amount of the 2023 Stimulus Bonds, 90% (€4.5 million) bear an interest rate of 6.50% per annum with the remainder (€0.5 million) bearing an interest rate of 8.50% per annum.

The subscribers of the Stimulus Bonds benefit from a partial guarantee from the French State. The Group has not provided any guarantees or security in relation to the Stimulus Bonds.

The issuance of the Stimulus Bonds was made pursuant to the regime set out by the decree n°2021-318 of 25 Mars 2021 (as amended by decree n°2022-784 of 5 May 2022) relating to the French Sate guarantee set out in article 209 of Law n°2020-1721 of 29 December 2020 (the "**2021-318 Decree**"), and the special regime set out in article L. 213-6-3-I of the

French *Code monétaire et financier*.

The Stimulus Bonds rank senior to "Investor Liabilities" (liabilities owed to certain shareholders of the Issuer) in accordance with an intercreditor agreement entered into on November 23, 2022 for the 2022 Stimulus Bonds (the "**2022 Stimulus Bonds Subordination Agreement**") and an intercreditor agreement entered into on December 29, 2023 for the 2023 Stimulus Bonds (the "**2023 Stimulus Bonds Subordination Agreement**" and together with 2022 Stimulus Bonds Subordination Agreement, the "**Stimulus Bonds Subordination Agreements**"), with certain shareholders of the Issuer and junior to the other preferred or unsecured creditors of the Issuer in accordance with the mandatory provisions of the 2021-318 Decree, which provides that:

- the Stimulus Bonds will only be redeemed in the event of a *liquidation amiable, liquidation judiciaire or redressement judiciaire* by way of sale of the Issuer after all other preferred and unsecured creditors of the Issuer (other than for the avoidance of doubt any creditor in respect of Investor Liabilities) have been paid in full in accordance with the terms of article 4-7 of the 2021-318 Decree; and
- in the event the Issuer is subject to a *procédure de sauvegarde* or a *redressement judiciaire* by way of continuation of the debtor company (*continuation de l'entreprise débitrice*), the payment of the outstanding principal and interest in relation to the Stimulus Bonds shall be suspended for the duration of the execution of the *plan de sauvegarde* or the *plan de redressement judiciaire*.

The Issuer may not redeem the Stimulus Bonds until the second anniversary of the relevant issue date thereof. Between the second and fifth anniversary of the relevant issue date, the Issuer must pay a redemption fee of 1% of the nominal value of the Stimulus Bonds so redeemed. From the fifth anniversary of the relevant issue date, no redemption fee is payable.

Upon the occurrence of certain change of control events, the Issuer is required to redeem all of the outstanding Stimulus Bonds and pay all other amounts accrued thereunder. In addition, in the event that the Stimulus Bonds do not meet any of the eligibility criteria set out in the 2021-318 Decree, the Issuer may be required to redeem the number of Stimulus Bonds necessary to comply the eligibility criteria set out in the 2021-318 Decree without any premium or penalty.

The Stimulus Bonds provide that the Issuer and its restricted subsidiaries are required to observe certain covenants, which are substantially similar in nature to the covenants under the 2026 Indenture, as modified to the unsecured and unguaranteed nature of the instrument. The Stimulus Bonds contain events of default that are also substantially similar to those in the 2026 Indenture.

The Stimulus Bonds are governed by French law and are not listed on any regulated market or multilateral trading facility.

Grupo Vendap Facility

Grupo Vendap is party to a facility agreement (the "**Grupo Vendap Facility Agreement**") with Banco Santander Totta and Banco BPI providing for a €19.0 million term loan facility (the "**Grupo Vendap Facility**"), equally split among a floating rate tranche bearing an interest rate of EURIBOR plus 2% per annum and a variable rate tranche bearing a fixed interest rate of 2.1% per annum for the first three years. The Grupo Vendap Facility is repayable in half yearly installments and is unsecured. Kiloutou S.A.S. has provided a comfort letter pursuant to which it undertakes to financially support Grupo Vendap in case of non-payment by Grupo Vendap or where it ceases to hold substantially all of the interests in Grupo Vendap. The Grupo Vendap Facility matures in February 2027. €14.4 million was outstanding under the Grupo Vendap Facility on September 30, 2023.

The Grupo Vendap Facility Agreement contains customary positive and negative covenants which requires, *inter alia*: (i) ensuring that the obligations thereunder rank at least *pari passu* with the claims of any other creditors; (ii) restrictions on debt incurrence; (iii) restrictions on shareholder distributions unless accompanied by a mandatory prepayment and where a debt service coverage ratio is met; (iv) a negative pledge prohibiting the encumbrance of any assets; (v) meeting a debt service coverage ratio of 1.05x and a net leverage ratio of 2.5x (tested at the level of Grupo Vendap); and (vi) not entering into any liquidation, amalgamation, demerger, merger, consolidation or corporate reconstruction or reorganization that may lead to a change in the shareholder structure.

The Grupo Vendap Facility Agreement is governed by Portuguese law.

DESCRIPTION OF THE NOTES

You will find definitions of certain capitalized terms used in this "Description of the Notes" under the heading "—Certain definitions." For purposes of this "Description of the Notes," (i) references to the "Issuer" refer only to Kapla Holding S.A.S. and not to any of its Subsidiaries and (ii) references to "we," "our," "us" or "Group" refer to the Issuer and the Issuer's Restricted Subsidiaries together.

Kapla Holding S.A.S., a limited liability company (*société par actions simplifiée*) organized under the laws of France (the "**Issuer**"), issued €461,857,000 aggregate principal amount of Senior Secured Floating Rate Notes due 2030 (the "**Notes**") and €188,143,000 of Exchange Notes (as defined below and which, for the purposes of the Indenture, shall be included in the definition of the Notes) under an indenture, dated as of the Issue Date (the "**Indenture**"), among, *inter alios*, itself, Kiloutou S.A.S., Kiloutou Module S.A.S. and Kiloutou Danmark ApS (collectively, the "**Initial Guarantors**"), BNY Mellon Corporate Trustee Services Limited, as trustee (the "**Trustee**"), and BNP Paribas, as security agent (the "**Security Agent**"), in a private transaction that is not subject to the registration requirements of the Securities Act. See "*Notice to investors*."

The Indenture will be unlimited in aggregate principal amount, of which €461,857,000 in aggregate principal amount of Notes will be issued pursuant to the Offering. We may issue an unlimited aggregate principal amount of additional Notes subject to the provisions of the Indenture, including the covenant restricting the Incurrence of Indebtedness (as described below under "*—Certain covenants—Limitation on Indebtedness*") and the Incurrence of Liens (as described below under "*—Certain covenants—Limitation on Liens*") and the provisions described below under "*—Additional Notes*." Unless the context otherwise requires, in this "*Description of the Notes*," references to the "Notes" include the Notes and any Additional Notes of the same series of the Notes issued on the Issue Date, including any Exchange Notes issued pursuant to the Exchange Offer (each as defined below). The terms of the Notes include those set forth in the Indenture. The Indenture will not be qualified under, or incorporate or include any of the provisions of, or be subject to, the U.S. Trust Indenture Act of 1939, as amended.

Concurrently with the Offering, the Issuer has made an offer (the "**Tender Offer**") to eligible holders of book-entry interests in the Regulation S global notes representing the Issuer's Senior Secured Floating Rate Notes due 2027 (the "**2027 Notes**") to tender their 2027 Notes for repurchase by the Issuer at a price equal to 101% of the principal amount thereof, plus accrued and unpaid interest. Pursuant to the results of the Tender Offer, the Issuer purchased €143,874,000 of the outstanding 2027 Notes validly tendered for purchase. We redeemed all of the 2027 Notes that were not tendered in the Tender Offer, in accordance with the 2027 Indenture. In addition, concurrently with the Offering and the Tender Offer, the Issuer has made an offer (the "**Exchange Offer**") to eligible holders of book-entry interests in the Regulation S global notes representing the Issuer's Senior Secured Floating Rate Notes due 2026 (the "**2026 Floating Rate Notes**") to exchange each €1,000 in principal amount of their 2026 Floating Rate Notes for (x) €1,000 in principal amount of senior secured floating rate notes due 2030 (the "**Exchange Notes**") and (y) accrued and unpaid interest. We redeemed all 2026 Floating Rate Notes that were not tendered in the Exchange Offer, at par, in accordance with the 2026 Indenture. Any Exchange Notes issued are issued under the Indenture on the Issue Date and have identical terms as, and form a single class with, the Notes.

We used the proceeds of the Offering to (i) pay the consideration for the Tender Offer, (ii) repay certain amounts outstanding under the Revolving Credit Facility, (iii) fund the redemption of all of the remaining 2027 Notes, (iv) fund the redemption of all outstanding 2026 Floating Rate Notes not tendered pursuant to the Exchange Offer and (v) pay certain fees, costs and expenses in connection with the Transactions.

This "*Description of the Notes*" is intended to be an overview of the material provisions of the Notes and the Indenture. As the following description is only a summary, you should refer to the Indenture, the form of Notes and the Intercreditor Agreement for complete descriptions of the obligations of the Issuer and the Initial Guarantors and your rights because they, and not this summary, define your rights as Holders of the Notes. Copies of the Indenture, form of Notes and the Intercreditor Agreement are available as set forth under "*Listing and general information*."

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.

General

The Notes

The Notes will, upon issuance:

- be general senior, secured obligations of the Issuer;
- on the Issue Date, be guaranteed on a senior secured basis by the Initial Guarantors, subject to the limitations described in "*Limitations on validity and enforceability of the Notes Guarantees and the security interests and certain insolvency law considerations*";

- be secured as set forth below under "—*Security*" along with obligations under the 2026 Notes, the 2027 Notes, the Revolving Credit Facility, the Senior Term Loan Facility and, if any, certain Hedging Obligations and certain other future Indebtedness; *however*, Holders of the Notes will receive proceeds from enforcement of the Collateral and certain distressed disposals only after any obligations secured on a super-priority basis, including obligations under the Revolving Credit Facility and, if any, certain Hedging Obligations, have been repaid in full;

- 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;

- 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 the obligations under the 2026 Notes, the 2027 Notes, the Revolving Credit Facility, the Senior Term Loan Facility and, if any, certain Hedging Obligations;

- be effectively subordinated to any existing and 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; and

- be structurally subordinated to any existing and future Indebtedness of Subsidiaries of the Issuer that are not Guarantors, including obligations owed to trade creditors.

The Notes Guarantees

On the Issue Date, the Notes will be Guaranteed (each Guarantee of the Notes, a "**Notes Guarantee**") by the Initial Guarantors. After the Issue Date, certain other Restricted Subsidiaries may provide Notes Guarantees in the future if the Issuer designates, or is required by the covenant described under "*—Certain covenants—Additional Notes Guarantees*" to designate, such Restricted Subsidiaries as additional guarantors of the Notes (each, an "**Additional Guarantor**" and, together with the Initial Guarantors, the "**Guarantors**"). The Notes Guarantee of each Guarantor will, upon issuance:

- be a general senior obligation of such Guarantor;

- be secured as set forth below under "—*Security*" along with obligations under the 2026 Notes, the 2027 Notes, the Revolving Credit Facility, the Senior Term Loan Facility and, if any, certain Hedging Obligations; *however*, Holders of the Notes will receive proceeds from enforcement of the Collateral and certain distressed disposals only after any obligations secured on a super-priority basis, including obligations under the Revolving Credit Facility and, if any, certain Hedging Obligations, have been repaid in full;

- rank senior in right of payment to any existing and future Indebtedness of such Guarantor that is expressly subordinated in right of payment to such Guarantor's Notes Guarantee;

- rank *pari passu* in right of payment with any existing and future Indebtedness of such Guarantor that is not expressly subordinated in right of payment to the Guarantors' Notes Guarantees, including obligations under the 2026 Notes, the 2027 Notes, the Revolving Credit Facility, the Senior Term Loan Facility and, if any, certain Hedging Obligations;

- be effectively subordinated to any existing and future Indebtedness of such Guarantor and its Subsidiaries that is secured by property or assets that do not secure such Guarantor's Notes Guarantee, to the extent of the value of the property and assets securing such Indebtedness; and

- be structurally subordinated to any existing and future Indebtedness of Subsidiaries of such Guarantor that are not Guarantors.

The obligations of each Guarantor will be contractually limited under its Notes Guarantee to reflect limitations under applicable law. See "*Risk factors—Risks related to our financing arrangements and the Notes—Corporate benefit,*

financial assistance laws and other limitations on the Notes Guarantees or the security interests may adversely affect the validity and enforceability of the Notes Guarantees of the Notes or security interests in the Collateral" and "*Limitations on validity and enforceability of the Notes Guarantees and the security interests and certain insolvency law considerations*." In particular, the Notes Guarantees of the Initial Guarantors incorporated in France will be limited to the outstanding amounts under the Existing Proceeds Loans or, in the case of Kiloutou Danmark ApS or another Danish Guarantor, to its equity. In certain cases, these limitations may apply to the Notes Guarantee of a Guarantor, but not its obligations under other debt, including the Revolving Credit Facility. The Issuer and the Initial Guarantors accounted for 58.9% of the Acquisition Adjusted Revenue and 61.9% of the Acquisition Adjusted EBITDA of the Group for the twelve months ended September 30, 2023.

Pursuant to the Intercreditor Agreement, after an acceleration event in respect of the Notes, the 2026 Notes, the 2027 Notes, the Revolving Credit Facility, the Senior Term Loan Facility or other *pari passu* debt subject to the Intercreditor Agreement, neither the Issuer nor the Guarantors may make payments in respect of the Notes or the Notes Guarantees except in connection with the realization or enforcement of the Collateral or a transaction in lieu of such enforcement or all amounts turned over to the Security Agent as described under "*Description of certain financing arrangements—Intercreditor Agreement*," in which case such payments will be applied in respect of the Revolving Credit Facility Agreement and, if any, certain Hedging Obligations until such obligations are repaid in full prior to the repayment of the Notes, the 2026 Notes, the 2027 Notes and the Senior Term Loan Facility. See "*Description of certain financing arrangements—Intercreditor Agreement*."

Principal and maturity

The Issuer issued €461,857,000 aggregate principal amount of Notes on the Issue Date. The Notes will mature on July 31, 2030. The Notes will be issued in minimum denominations of €100,000 and in integral multiples of €1,000 in excess thereof.

Interest

Interest on the Notes will accrue at a rate per annum (the "**Applicable Rate**"), reset quarterly, equal to three-month EURIBOR (subject to a 0% floor) *plus* 350 basis points, as determined by the Calculation Agent, which shall initially be The Bank of New York Mellon, London Branch. 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;
- be payable in cash quarterly in arrears on each of March 15, June 15, September 15 and December 15, commencing on March 15, 2024;
- be payable to the Holder of record of such Notes on the Business Day immediately preceding the related interest payment date (except for Definitive Registered Notes, if any, issued under the Indenture, which will have a record date of 15 days prior to any interest payment date as further described under "*—Transfer and exchange*"); and
- be computed on the basis of a 360-day year comprised of twelve 30-day months.

Set forth below is a summary of certain of the provisions from the Indenture relating to the calculation of interest on the Notes.

The Calculation Agent shall, as soon as practicable after 11:00 a.m. (Brussels time) on each Interest Calculation Date, determine the Applicable Rate and calculate the aggregate amount of interest payable on the Notes in respect of the following Interest Period (the "**Interest Amount**") and notify the Issuer in writing thereof. The Interest Amount shall be calculated by applying the Applicable Rate to the principal amount of the Notes outstanding on the Interest Calculation Date, multiplying each such amount by the actual number of days in the Interest Period concerned divided by 360; *provided*, *however*, that interest shall only be paid in respect of Notes outstanding on the applicable interest payment date. All percentages resulting from any of the above calculations will be rounded, if necessary, to the nearest one hundred thousandth of a percentage point, with five one millionths of a percentage point being rounded upwards (*e.g.*, 4.876545% (or .04876545) being rounded to 4.87655% (or .0487655)). All euro amounts used in or resulting from such calculations will be rounded to the nearest euro cent (with one half euro cent being rounded upwards). The determination of the Applicable Rate and the Interest Amount by the Calculation Agent shall, in the absence of willful default, fraud or manifest error, be final and binding on all parties. The Trustee and any Paying Agent shall not be responsible for, nor incur any liability in connection with, any loss resulting from any calculation made, or intended to be made, by the Calculation Agent.

As used herein:

"**Calculation Agent**" means a financial institution appointed by the Issuer to calculate the interest rate payable on the Notes in respect of each Interest Period, which shall initially be The Bank of New York Mellon, London Branch.

"**EURIBOR**" means, with respect to an Interest Period, the rate (expressed as a percentage per annum) for deposits in euro for a three-month period beginning on the day that is two TARGET Settlement Days after the Interest Calculation Date that appears on Reuters page EURIBOR01 as of 11:00 a.m. (Brussels time) on the Interest Calculation Date; *provided*, *however*, that EURIBOR shall never be less than 0%. If Reuters Page EURIBOR01 does not include such a rate or is unavailable on an Interest Calculation Date, the Issuer or an agent of the Issuer will request the principal London office of each of four major banks in the euro zone inter-bank market, as selected by the Issuer or an agent of the Issuer, to provide such bank's offered quotation (expressed as a percentage per annum) as of approximately 11:00 a.m. (Brussels time) on such Interest Calculation Date, to prime banks in the euro zone inter-bank market for deposits in Representative Amount in euro for a three-month period beginning on the day that is two TARGET Settlement Days after the Interest Calculation Date. If at least two such offered quotations are so provided, EURIBOR for such Interest Period will be the arithmetic mean of such quotations. If fewer than two such quotations are so provided, the Issuer or an agent of the Issuer will request each of three major banks in London, as selected by the Issuer or an agent of the Issuer, to provide such bank's rate (expressed as a percentage per annum), as of approximately 11:00 a.m. (Brussels time) on such Interest Calculation Date, for loans in a Representative Amount in euro to leading European banks for a three-month period beginning on the day that is two TARGET Settlement Days after the Interest Calculation Date. If at least two such rates are so provided, EURIBOR for such Interest Period will be the arithmetic mean of such rates. If fewer than two such rates are so provided, then EURIBOR in respect of such Interest Period will be the EURIBOR in effect with respect to the immediately preceding Interest Period.

If the Issuer determines, prior to any Interest Calculation Date, that:

(1) there has been a material disruption to EURIBOR;

(2) EURIBOR is not available for use temporarily, indefinitely or permanently;

(3) there are restrictions or prohibitions on the use of EURIBOR;

(4) an alternative rate has replaced EURIBOR in customary market practice in the international capital markets applicable generally to floating rate notes; or

(5) it has become unlawful for the Calculation Agent, the Issuer or a third party agent of the Issuer to calculate any payments due to Holders using EURIBOR,

a Rate Determination Agent, acting in good faith and in a commercially reasonable manner, shall select a successor rate to EURIBOR that is substantially comparable to EURIBOR or that has been recommended or selected by the relevant monetary authority or similar authority (or working group thereof) or by a widely recognized industry association or body or that is expected to develop as an industry accepted rate for debt market instruments such as or comparable to the Notes, as more fully set forth in the Indenture (and any applicable adjustment spread required to reduce or eliminate, to the extent reasonably practicable in the circumstances, any economic prejudice or benefit (as the case may be) to Holders as a result of the replacement of EURIBOR (the "**Adjustment Spread**")) for use in calculating the Applicable Rate (the "**Successor Rate**"), and the Issuer shall certify (by way of an Officer's Certificate) to each of the Trustee, the Calculation Agent and the Paying Agent, at least five Business Days prior to any Interest Calculation Date, such Successor Rate (and the Adjustment Spread) (upon which each of the Trustee, the Calculation Agent and the Paying Agent shall be entitled to rely conclusively and absolutely without further enquiry, investigation, verification or liability of any kind whatsoever), which shall be used by the Calculation Agent to calculate the Applicable Rate. Holders shall be bound by any such Successor Rate (and Adjustment Spread) without any further action or consent by the Holders or the Trustee. For the avoidance of doubt, the sum of the Successor Rate and the Adjustment Spread shall, in all cases, not be less than 0%. The Issuer shall promptly notify the Holders of the adoption of any Successor Rate (and Adjustment Spread). Following the adoption of any Successor Rate and Adjustment Spread, all references to "EURIBOR" in the Indenture shall be deemed to refer to such Successor Rate (and such Adjustment Spread).

"**euro zone**" means the region comprised of member states of the European Union that at such time use the euro as their official currency.

"**Interest Calculation Date**" means the day that is two TARGET Settlement Days preceding the first day of the relevant

Interest Period in respect of the relevant Interest Period.

"**Interest Period**" means the period commencing on and including an interest payment date and ending on and including the day immediately preceding the next succeeding interest payment date, with the exception that the first Interest Period shall commence on and include the Issue Date and end on and exclude March 15, 2024.

"**Rate Determination Agent**" means (a) an independent financial institution of international standing or an independent financial adviser of recognized standing (that is not an Affiliate of the Issuer) as appointed by the Issuer at the expense of the Issuer or (b) if it is not reasonably practicable to appoint a party as referred to under (a), the Issuer.

"**Representative Amount**" means the greater of (i) €1.0 million and (ii) an amount that is representative for a single transaction in the relevant market at the relevant time.

"**Reuters Page EURIBOR01**" means the display page so designated on Reuters (or such other page as may replace that page on that service, or, if no such page is available, such other service as may be nominated as the information vendor).

"**TARGET Settlement Day**" means any day on which the real time gross settlement system (T2) operated by the Eurosystem (or any successor thereto) is open for the settlement of payments in euro.

Payments of interest on the Notes

The rights of Holders of beneficial interests in the Notes to receive the payments of interest on such Notes are subject to applicable procedures of Euroclear Bank SA/NV ("**Euroclear**") and Clearstream Banking S.A. ("**Clearstream**"). If the due date for any payment in respect of any Notes is not a Business Day at the place at which such payment is due to be paid, the Holder thereof will not be entitled to payment of the amount due until the next succeeding Business Day at such place, and will not be entitled to any further interest or other payment as a result of any such delay.

In no event will the rate of interest on the Notes be higher than the maximum rate permitted by applicable law; *provided*, *however*, that none of the Calculation Agent, any Paying Agent or the Trustee shall be responsible for verifying that the rate of interest on the Notes is permitted under applicable law.

Methods of receiving payments on the Notes

Principal, interest, premium and Additional Amounts, if any, on the Global Notes (as defined below) will be payable 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 or held by a nominee of the common depositary for Euroclear or Clearstream will be made by wire transfer of immediately available funds to the account specified by the Holder or Holders thereof.

Principal, interest and premium, if any, on any certificated securities ("**Definitive Registered Notes**") will be payable at the specified office or agency of one or more Paying Agents. In addition, interest on the Definitive Registered Notes may be paid by bank transfer to the Person entitled thereto as shown on the register for the Definitive Registered Notes. See "*—Paying agent, registrar and transfer agent for the Notes*."

Paying agent, registrar and transfer agent for the Notes

The Issuer will maintain one or more Paying Agents for the Notes. The initial Paying Agent in London will be The Bank of New York Mellon, London Branch (the "**Paying Agent**").

The Issuer will also maintain one or more registrars (each, a "**Registrar**") and one or more transfer agents (each, a "**Transfer Agent**"). The initial Registrar will be The Bank of New York Mellon SA/NV, Dublin Branch. The initial Transfer Agent will be The Bank of New York Mellon SA/NV, Dublin Branch. The Registrar will maintain a register reflecting ownership of Definitive Registered Notes, if issued, outstanding from time to time and will make payments on and facilitate transfers of Definitive Registered Notes on behalf of the Issuer. Upon demand by the Issuer, the Registrar shall (at the expense of the Issuer) send a copy of the register reflecting ownership of Definitive Registered Notes outstanding from time to time maintained by it to the Issuer and the Issuer shall keep such copy of the register at its registered office.

The Issuer may change the Paying Agents, the Registrars or the Transfer Agents without prior notice to the Holders. Notice of the change in a Paying Agent, Registrar or Transfer Agent may be published on the official website of the

Luxembourg Stock Exchange (*www.luxse.com*), to the extent and in the manner required by the rules of the Luxembourg Stock Exchange. The Issuer or any of its Subsidiaries may act as Paying Agent or Registrar in respect of the Notes.

Transfer and exchange

The Notes will be issued in the form of one or more registered notes in global form without interest coupons attached, as follows:

- Notes sold within the United States to qualified institutional buyers pursuant to Rule 144A under the Securities Act will initially be represented by one or more global notes in registered form without interest coupons attached (the "**144A Global Notes**"). The 144A Global Notes will, on the Issue Date, be deposited with and registered in the name of the nominee of the common depositary for the accounts of Euroclear and Clearstream.

- Notes sold to non-U.S. persons outside the United States pursuant to Regulation S under the Securities Act will initially be represented by one or more global notes in registered form without interest coupons attached (the "**Regulation S Global Notes**" and, together with the 144A Global Notes, the "**Global Notes**"). The Regulation S Global Notes will, on the Issue Date, be deposited with and registered in the name of the nominee of the common depositary for the accounts of Euroclear and Clearstream.

Ownership of interests in the Global Notes ("**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.
Ownership of interests in the Book-Entry Interests and transfers thereof will be subject to the restrictions on transfer and certification requirements summarized below and described more fully under "*Notice to investors.*" In addition, transfers of Book-Entry Interests between participants in Euroclear or participants in Clearstream will be effected by Euroclear and Clearstream pursuant to customary procedures and subject to the applicable rules and procedures established by Euroclear or Clearstream and their respective participants.

Book-Entry Interests in the 144A Global Notes (the "**144A Book-Entry Interests**") may be transferred to a Person who takes delivery in the form of Book-Entry Interests in the Regulation S Global Notes (the "**Regulation S Book-Entry Interests**") only upon delivery by the transferor of a written certification (in the form provided in the Indenture) to the effect that such transfer is being made in accordance with Regulation S under the Securities Act.

Regulation S Book-Entry Interests may be transferred to a Person who takes delivery in the form of 144A Book-Entry Interests only upon delivery by the transferor of a written certification (in the form provided in the Indenture) to the effect that such transfer is being made to a Person who the transferor reasonably believes is a "qualified institutional buyer" within the meaning of Rule 144A in a transaction meeting the requirements of Rule 144A or otherwise in accordance with the transfer restrictions described under "*Notice to investors*" and in accordance with any applicable securities law of any other jurisdiction; *provided* that, in the event Additional Notes are issued pursuant to Regulation S that bear the same ISIN, Common Code, CUSIP or other securities identification number as the Notes, without being fungible with the Notes for U.S. federal income tax purposes, Regulation S Book-Entry Interests will not be eligible for transfer to 144A Book-Entry Interests. See also "*Risk factors—Risks related to our financing arrangements and the Notes,—Additional Notes sold pursuant to Regulation S may not be fungible with existing Notes for U.S. federal income tax purposes*," *"Book-entry, delivery and form—Transfers*" and "*—Additional Notes*.".

Any Book-Entry Interest that is transferred as described in the immediately preceding paragraphs will, upon transfer, cease to be a Book-Entry Interest in the Global Note from which it was transferred and will become a Book-Entry Interest in the applicable Global Note to which it was transferred. Accordingly, from and after such transfer, it will become subject to all transfer restrictions, if any, and other procedures applicable to Book-Entry Interests in the applicable Global Note to which it was transferred.

If Definitive Registered Notes are issued, they will be issued only in minimum denominations of €100,000 in principal amount and integral multiples of €1,000 in excess thereof, upon receipt by the Registrar of instructions relating thereto and any certificates, 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 will, except as set forth in the Indenture or as otherwise determined by the Issuer in compliance with applicable law, be subject to, and will have a legend with respect to, the restrictions on transfer summarized below and described more fully under "*Notice to investors*."

Subject to the restrictions on transfer referred to above, Notes issued as Definitive Registered Notes may be transferred or exchanged, in whole or in part, in minimum denominations of €100,000 in principal amount and integral multiples of €1,000 in excess thereof to Persons who take delivery thereof in the form of Definitive Registered Notes. 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 in connection with such transfer or exchange. Any such transfer or exchange will be made without charge to the Holder, other than any Taxes payable in connection with such transfer or exchange.

Notwithstanding the foregoing, the Registrar is not required to register the transfer or exchange of any Definitive Registered Notes:

(1) for a period of 15 days prior to any date fixed for the redemption of such Definitive Registered Notes;

(2) for a period of 15 days immediately prior to the date fixed for selection of such Definitive Registered Notes to be redeemed in part;

(3) for a period of 15 days prior to the record date with respect to any interest payment date applicable to such Definitive Registered Notes; or

(4) which the Holder has tendered (and not withdrawn) for repurchase in connection with a Change of Control Offer or an Asset Disposition Offer.

The Issuer, the Trustee and any Paying Agent, Transfer Agent and Registrar will be entitled to treat the registered Holder of a Note as the owner of it for all purposes.

Additional Notes

From time to time, subject to the Issuer's compliance with the covenants described under the headings "*—Certain covenants—Limitation on Indebtedness*" and "*—Certain covenants—Limitation on Liens*," the Issuer is permitted to issue additional Notes ("**Additional Notes**"), which shall have terms substantially identical to the Notes, except in respect of any of the following terms, which shall be set out in an Officer's Certificate supplied to the Trustee:

(1) the title of such Additional Notes;

(2) the aggregate principal amount of such Additional Notes;

(3) the date or dates on which such Additional Notes will be issued and will mature;

(4) the rate or rates (which may be fixed or floating) at which such Additional Notes shall bear interest and, if applicable, the interest rate basis, formula or other method of determining such interest rate or rates, the date or dates from which such interest shall accrue, the interest payment dates on which such interest shall be payable or the method by which such dates will be determined, the record dates for the determination of Holders thereof to whom such interest is payable and the basis upon which such interest will be calculated;

(5) the currency or currencies in which such Additional Notes shall be denominated and the currency in which cash or government obligations in connection with such Additional Notes may be payable;

(6) the date or dates and price or prices at which, the period or periods within which, and the terms and conditions upon which, such Additional Notes may be redeemed, in whole or in part, including, but not limited to, any special mandatory redemption using amounts released from any escrow account into which proceeds of the issuance of such Additional Notes are deposited pending consummation of any acquisition, Investment, refinancing or other transaction (such redemption, a "**Special Mandatory Redemption**");

(7) the provisions relating to the escrow of all or a portion of the proceeds of such Additional Notes and the granting of Liens described in clause (21) of the definition of "Permitted Liens" in favor of the Trustee or a security agent solely for the benefit of the holders of such Additional Notes (and not, for the avoidance of doubt, for the benefit of the holders of any other Notes, including Notes of the same series as such Additional Notes), together with all necessary authorizations for the Trustee or such security agent to enter into such arrangements; *provided* that, for so long as the proceeds of such Additional Notes are in escrow, such Additional Notes shall benefit only from

such Liens and shall not be subject to the Intercreditor Agreement or any Additional Intercreditor Agreement and shall not benefit from any security interest in the Collateral;

(8) if other than denominations of €100,000 and in integral multiples of €1,000 in excess thereof, the denominations in which such Additional Notes shall be issued and redeemed;

(9) the status of registration with the SEC of such Additional Notes or the applicable exemption from such registration pursuant to which such Additional Notes may be offered or sold; and

(10) the ISIN, Common Code, CUSIP or other securities identification numbers with respect to such Additional Notes, the relevant clearing systems and the securities exchange on which the Additional Notes are listed.

The Notes issued on the Issue Date will constitute a separate series of Notes, but will be treated, along with all other series of Notes, as a single class for the purposes of the Indenture with respect to waivers, amendments and all other matters which are not specifically distinguished for such series.

Unless the context otherwise requires, for all purposes of the Indenture and this "*Description of the Notes*," references to "Notes" shall be deemed to include references to the Notes initially issued on the Issue Date as well as any Additional Notes of the same series of the Notes initially issued on the Issue Date, including any Exchange Notes issued pursuant to the Exchange Offer. Additional Notes may be designated to be of the same series as any other series of Notes, including the Notes initially issued on the Issue Date, but only if they have terms substantially identical in all material respects to such other series, and shall be deemed to form one series with such other series (it being understood that any Additional Notes that are substantially identical in all material respects to any other series of Notes but for being subject to a Special Mandatory Redemption shall be deemed to be substantially identical to such series of Notes only following the date on which any such Special Mandatory Redemption provision ceases to apply).

In the event that any Additional Notes sold pursuant to Rule 144A are not fungible with any corresponding series of Notes previously issued for U.S. federal income tax purposes, such non-fungible Additional Notes shall be issued with a separate ISIN, Common Code, CUSIP or other securities identification number, as applicable, so that they are distinguishable from such previously issued series of Notes. Additional Notes sold pursuant to Regulation S from time to time may at the option of the Issuer be issued with the same ISIN, Common Code, CUSIP or other securities identification number as Notes belonging to the same series previously issued without being fungible with such series of initial Notes for U.S. federal income tax purposes. **If you are a U.S. holder (as defined in "*Tax considerations—Certain U.S. federal income tax considerations*") considering the purchase of Notes sold pursuant to Regulation S, you should consult your tax advisors concerning the particular U.S. federal income tax consequences to you of the purchase, ownership and disposition of such Notes, including with respect to the potential issuance of Additional Notes that are not fungible with the applicable series of initial Notes for U.S. federal income tax purposes, but which nevertheless are not capable of being separately identified**.

Restricted Subsidiaries and Unrestricted Subsidiaries

On the Issue Date, all of the Issuer's direct and indirect Subsidiaries will be Restricted Subsidiaries. In the circumstances described below under "*—Certain definitions—Unrestricted Subsidiary*," the Issuer will be permitted to designate Restricted Subsidiaries as Unrestricted Subsidiaries. Unrestricted Subsidiaries will not be subject to any of the restrictive covenants contained in the Indenture. The Unrestricted Subsidiaries will not provide any Notes Guarantee.

Notes Guarantees

General

The Notes will be Guaranteed on the Issue Date by the Initial Guarantors. The Notes Guarantees of the Initial Guarantors, when each is granted, will be a full and unconditional Guarantee of the Issuer's obligations under the Notes, subject to the limitations discussed below.

After the Issue Date, certain other Restricted Subsidiaries may provide a Notes Guarantee in the future if the Issuer designates, or is required by the covenant described under "*—Certain covenants—Additional Notes Guarantees*" to designate, such Restricted Subsidiaries as additional guarantors of the Notes. Each Additional Guarantor will, jointly and severally with the Initial Guarantors and each other Additional Guarantor, irrevocably Guarantee (each Guarantee, an "**Additional Notes 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. Any Additional Notes Guarantee shall be issued on substantially the same terms as the Notes Guarantees of the Initial Guarantors (subject to the limitations discussed below). For purposes of the Indenture and this "*Description of the Notes*," references to the Notes Guarantees include references to any Additional Notes Guarantees.

The obligations of any Guarantor will be contractually limited under its Notes Guarantee to reflect limitations under applicable law and the Agreed Security Principles, including restrictions on the granting of Guarantees where, among other things, such grant would be restricted by general statutory or other legal limitations or requirements, financial assistance, corporate benefit, fraudulent preference, "thin capitalization" rules, maintenance of share capital, retention of title claims and similar principles applicable to such Guarantor and its shareholders, directors and general partner. For a description of such limitations, see "*Limitations on validity and enforceability of the Notes Guarantees and the security interests and certain insolvency law considerations*."

As the Issuer has limited assets of its own other than its shares in Kiloutou S.A.S. and the operations of the Issuer are conducted through its Subsidiaries, the Issuer depends on its Subsidiaries for cash to ensure it can meet its obligations under the Notes.

Not all of the Issuer's Subsidiaries will guarantee the Notes. The Notes and the Notes 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. See "*Risk factors—Risks related to our financing arrangements and the Notes—The Notes will be structurally subordinated to the liabilities of non-Guarantor Subsidiaries*."

Releases

Each Notes Guarantee of a Guarantor will be released:

(1) upon a sale or other disposition (including by way of merger, consolidation, amalgamation or combination) of Capital Stock of the relevant Guarantor (whether by direct sale or sale of a holding company of such Guarantor) to a Person that is not (either before or after giving effect to such transaction) the Issuer or a Restricted Subsidiary, if the sale or other disposition does not violate the "*—Certain covenants—Limitation on sales of assets and subsidiary stock*" covenant below and such that the relevant Guarantor no longer remains a Restricted Subsidiary;

(2) in connection with any sale, disposition, exchange or other transfer of all or substantially all of the assets of such Guarantor (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, if the sale or other disposition does not violate the "*—Certain covenants—Limitation on sales of assets and subsidiary stock*" covenant below;

(3) upon the designation in accordance with the Indenture of such Guarantor as an Unrestricted Subsidiary;

(4) upon legal defeasance, covenant defeasance or satisfaction and discharge of the Indenture, as provided in "*—Defeasance*" and "*—Satisfaction and discharge*";

(5) in accordance with the provisions of the Intercreditor Agreement or an Additional Intercreditor Agreement relating to the release of a Notes Guarantee on an enforcement sale or other disposal of such Guarantor;

(6) as described under "—Amendments and waivers";

(7) with respect to an Additional Notes Guarantee given under the "*—Certain covenants—Additional Notes Guarantees*" covenant below, upon release of the Notes Guarantee that gave rise to the requirement to issue such Additional Notes Guarantee so long as no Event of Default would arise as a result and no other Indebtedness that would give rise to an obligation to give an Additional Notes Guarantee is at that time Guaranteed by the relevant

Guarantor;

(8) with respect to any Guarantor which is not the continuing or surviving Person in the relevant consolidation or merger, as a result of a Permitted Reorganization or a transaction permitted by the "*—Certain covenants—Merger and consolidation—The Guarantors*" covenant below and the Indenture; or

(9) upon the full and final payment and performance of all obligations of the Issuer and the Guarantors under the Indenture and the Notes.

The Trustee shall, subject to receipt of certain documents from the Issuer and/or the Guarantors, and subject to the terms of the Intercreditor Agreement, each take all necessary actions reasonably requested by the Issuer, including the granting of releases or waivers under the Intercreditor Agreement, to effectuate any release of a Notes Guarantee of a Guarantor in accordance with these provisions, subject to customary protections and indemnifications. Each of the releases set forth above shall be effected by the Trustee without the consent of the Holders (except to the extent required under clause (6) above). Neither the Trustee nor the Issuer will be required to make a notation on the Notes to reflect any such release, termination or discharge.

Security

General

As of the Issue Date, the Notes and the Notes Guarantees will be secured by first-ranking security interests, subject to the operation of the Agreed Security Principles over (the "**Collateral**"):

- the financial securities account opened in the name of the Issuer in the books of Kiloutou S.A.S.;
- the financial securities account opened in the name of Kiloutou S.A.S. in the books of Kiloutou Module S.A.S.;
- the shares in Kiloutou Danmark ApS held by Kiloutou S.A.S.;
- the shares in GSV held by Kiloutou Danmark ApS;
- certain bank accounts of the Issuer and the Initial Guarantors; and
- certain intra-group receivables owing to the Issuer and the Guarantors, including the Existing Proceeds Loans.

The 2026 Notes, the 2027 Notes, the Revolving Credit Facility, the Senior Term Loan Facility and, if any, certain Hedging Obligations, are also secured by the Collateral. However, pursuant to the Intercreditor Agreement, Holders of the Notes will receive proceeds from enforcement of the Collateral and certain distressed disposals only after any obligations secured on a super-priority basis, including obligations under the Revolving Credit Facility and, if any, certain Hedging Obligations have been repaid in full. In addition, subject to certain conditions, including compliance with the "*—Certain covenants—Impairment of security interest*" covenant below, each of the Issuer and the Guarantors is permitted to pledge the Collateral in connection with future Incurrences of Indebtedness, including any Additional Notes, in each case, permitted under the Indenture and other Indebtedness of members of the Group and on terms consistent with the relative priority in right of payment of such Indebtedness under the Indenture and the Intercreditor Agreement.

The liens on the Collateral to secure the Notes and the Notes Guarantees are referred to herein collectively as the "**Security Interests**." Any other property or assets over which the Security Interests may in the future be granted to secure obligations under the Notes and the Indenture would also constitute Collateral.

The Collateral will be contractually limited to reflect limitations under applicable law with respect to maintenance of share capital, corporate benefit, fraudulent preference or conveyance and other legal restrictions applicable to security providers and their shareholders, directors and general partners. For a description of such limitations, see "*Limitations on validity and enforceability of the Notes Guarantees and the security interests and certain insolvency law considerations*." The grant and control of the security will also be subject to certain Agreed Security Principles. The Agreed Security Principles provide that certain assets will not be pledged (or the Liens not perfected), including:

- if the cost of providing security is not proportionate to the benefit accruing to the Holders;

- if there is material incremental cost involved in creating security over all assets of a Guarantor in a particular category of assets, only the material assets in that category will be subject to security;

- if providing such security would require consent of any person, subject to certain obligations to take steps to obtain such consent before such assets may be secured or where providing such security would give a third party the right to terminate or otherwise amend to the material detriment of the Issuer or any of the Issuer's Subsidiaries in respect of those assets or require any of them to take any action materially adverse to their interests and where (subject to certain condition being met) such consent cannot be obtained after the use of reasonable endeavors;

- if providing such security (i) would be prohibited by statutory limitations, corporate benefit, financial assistance, fraudulent preference, thin capitalization rules, capital maintenance rules, retention of title claims and similar principles (after the use of reasonable endeavors to mitigate any such impediment), or (ii) if it would conflict with the fiduciary duties of their directors or contravene any legal prohibition or result in a material risk of personal or criminal liability on the part of any officer;

- a member of the Group will not be required to give security if it is not majority-owned by another member of the Group;

- if in certain jurisdictions it may be either impossible or impractical to create security over certain categories of assets, security will not be taken over such assets; and

- no perfection action will be required in jurisdictions where a Guarantor is not incorporated and does not conduct business but perfection action may be required in the jurisdiction of one Guarantor in relation to security granted by another Guarantor located in a different jurisdiction.

The Agreed Security Principles with respect to the Notes will be interpreted and applied in good faith by a member of senior management or the Board of Directors of the Issuer.

In addition to the release provisions described below, the Security Interests will cease to exist by operation of law or will be released, depending on the type of security interest, upon the defeasance or discharge of the Notes as provided in "*—Defeasance*" or "*—Satisfaction and discharge*" in each case in accordance with the terms and conditions of the Indenture.

There can be no assurance that the proceeds from the sale of the Collateral would be sufficient to satisfy the obligations owed to the Holders, and the Collateral securing the Notes and the Notes Guarantees 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 made in connection with the Offering. By its nature, some or all of the Collateral will be illiquid and may have no readily ascertainable market value. Accordingly, the Collateral may not be able to be sold in a short period of time, or at all. See "*Risk factors—Risks related to our financing arrangements and the Notes—The value of the Collateral securing the Notes may not be sufficient to satisfy our obligations under the Notes and such Collateral may be reduced or diluted under certain circumstances*" and "*Risk factors—Risks related to our financing arrangements and the Notes—It may be difficult to realize the value of the Collateral securing the Notes*." In addition, the Intercreditor Agreement places limitations on the ability of the Security Agent to release the Security Interests, by reference to the interests of other creditors. These limitations may include requirements that some or all of the Collateral be disposed of only pursuant to public auctions or only at a price confirmed by a valuation. See "*Description of certain financing arrangements—Intercreditor Agreement*."

Subject to the terms of the Security Documents and prior to enforcement of any such Collateral, 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 the Notes 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). See "*Risk factors—Risks related to our financing arrangements and the Notes—The Issuer and the Guarantors will have control over the Collateral securing the Notes, and the sale of particular assets could reduce the pool of assets securing the Notes*."

The Trustee has, and by accepting a Note, each Holder will be deemed to have, irrevocably appointed the Security Agent to act as its agent and security agent under the Intercreditor Agreement, any Additional Intercreditor Agreement and the Security Documents. The Trustee has, and by accepting a Note, each Holder will be deemed to have, irrevocably

authorized the Security Agent to (i) perform the duties and exercise the rights, powers and discretions that are specifically given to it under the Intercreditor Agreement or the Security Documents, together with any other incidental rights, power and discretions and (ii) execute each Security Document, waiver, modification, amendment, renewal or replacement expressed to be executed by the Security Agent on its behalf.

Further, the Indenture will also provide that each Holder, by accepting a Note, shall be deemed to have agreed to and accepted the terms and conditions of the Intercreditor Agreement and any Additional Intercreditor Agreement (whether then entered into or entered into in the future pursuant to the provisions described herein). See "*Description of certain financing arrangements—Intercreditor Agreement*."

Security Documents

Under the Security Documents, the Issuer and the Guarantors will grant security over the Collateral to secure the obligations of the Issuer under the Notes and the Indenture and the obligations of the Guarantors under their respective Notes Guarantees and the Indenture. The Security Documents will be entered into by, *inter alios*, the relevant security provider and the Security Agent.

The Security Agent will enter into the Security Documents in its own name for the benefit of the Trustee and the Holders. The Security Agent will also act on behalf of the trustee and the holders of the 2026 Notes and the 2027 Notes, the lenders under the Revolving Credit Facility, the lenders under the Senior Term Loan Facility and, if any, the counterparties under certain Hedging Obligations (who will have the equal and ratable benefit of the same Collateral). The Security Agent will also act on behalf of certain future secured creditors.

The Security Documents provide that the rights with respect to the Collateral must be exercised by the Security Agent or the parties to the Security Documents. Since the Holders are not a party to the Security Documents, 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.

The Security Agent will agree to any release of the Security Interests created by the Security Documents that is in accordance with the Indenture and the Intercreditor Agreement without requiring any consent of the Holders. See "*—Release of Liens*" and "*Risk factors—Risks related to our financing arrangements and the Notes—There are circumstances other than repayment or discharge of the Notes under which the Collateral securing the Notes and the Notes Guarantees will be released automatically and under which the Notes Guarantees will be released automatically, without your consent or the consent of the trustee*." In addition, the terms of the Security Documents themselves provide for assets to cease to become subject to security in certain circumstances without need for a formal release, such as the sale of assets which are subject to a charge, or the exclusion of certain assets from a debenture if such assets may not be subject to security (such as, for example, assets that may not be validly pledged, or assets that are subject to a Permitted Lien). The Security Agent will commence enforcement action under the Security Documents only in accordance with the terms of the Intercreditor Agreement. See "*—Enforcement of security interest*."

In the event that any of the Issuer or any of the Guarantors enters into insolvency, bankruptcy, dissolution, *gestion controlée*, *liquidation judiciaire*, *faillite déclarée* or similar proceedings, the Security Interests created under the Security Documents or the rights and obligations enumerated in the Intercreditor Agreement could be subject to potential challenges. If any challenge to the validity of the Security Interests or the terms of the Intercreditor Agreement were successful, the Holders might not be able to recover any amounts under the Security Documents. See "*Risk factors—Risks related to our financing arrangements and the Notes—Corporate benefit, financial assistance laws and other limitations on the Notes Guarantees or the security interests may adversely affect the validity and enforceability of the Notes Guarantees of the Notes or security interests in the Collateral*."

Release of Liens

The Issuer and the Guarantors will be entitled, in addition to the circumstances described above, to require the Security Agent to release the Security Interests in respect of the Collateral securing the Notes and the Notes Guarantees under any one or more of the following circumstances:

(1) in connection with any sale or disposition of such property or assets to (a) any Person that is not the Issuer or a Restricted Subsidiary either before or after giving effect to such transaction, if such sale or other disposition does not violate the "*—Certain covenants—Limitation on sales of assets and subsidiary stock*" covenant below or (b) the Issuer or any Guarantor; *provided* that such transfer is otherwise in compliance with the Indenture and, in the case of clause (b), immediately following such sale or disposition, a Lien of at least equivalent ranking over the

same assets or property exists or is granted in favor of the Security Agent (on its own behalf and on behalf of the Trustee for the Holders);

(2) in connection with the release of a Guarantor from its Notes Guarantee pursuant to the terms of the Indenture, the release of the property and assets, and Capital Stock, of such Guarantor;

(3) if the Issuer designates any Restricted Subsidiary to be an Unrestricted Subsidiary in accordance with the applicable provisions of the Indenture, the release of the property, assets and Capital Stock of such Unrestricted Subsidiary;

(4) upon legal defeasance, covenant defeasance or satisfaction and discharge of the Indenture, as provided in "*—Defeasance*" and "*—Satisfaction and discharge*";

(5) in compliance with the provisions of the Intercreditor Agreement or any Additional Intercreditor Agreement relating to disposals of assets subject to security (see "*Description of Certain financing arrangements—Intercreditor agreement*");

(6) (i) in accordance with "*—Amendments and waivers*," (ii) in accordance with the "*—Impairment of security interest*" covenant below and (iii) in accordance with the second paragraph under the "*—Certain covenants—Limitation on Liens*" covenant below so long as immediately after the release there is no other Indebtedness secured by a Lien on the property or assets that was the subject of the Initial Lien that would result in the requirement for the Notes and the Notes Guarantees to be secured equally and ratably with, or prior to, such Lien;

(7) in order to effectuate a Permitted Reorganization or a merger, consolidation, conveyance or transfer conducted in compliance with the "*—Merger and consolidation*" covenant below; *provided* that following such Permitted Reorganization or merger, consolidation, conveyance or transfer, a Lien of at least equivalent ranking over the same assets or property is granted in favor of the Security Agent (on its own behalf and on behalf of the Trustee for the Holders) to the extent such assets or property continue to exist as assets or property of the Issuer or a Restricted Subsidiary;

(8) upon the full and final payment and performance of all obligations of the Issuer and the Guarantors under the Indenture and the Notes; or

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

The Security Agent and the Trustee (only if required) shall, subject to receipt of certain documents from the Issuer and/or the Guarantors, each take all necessary actions reasonably requested by the Issuer, including the granting of releases or waivers under the Intercreditor Agreement, required to effectuate any release of Collateral securing the Notes and the Notes Guarantees, in accordance with the provisions of the Indenture, the Intercreditor Agreement or any Additional Intercreditor Agreement and the relevant Security Documents, subject to customary protections and indemnifications. Each of the releases set forth above shall be permitted to be effected by the Security Agent without the consent of the Holders (except to the extent required under clause (6)(i) above) or any action on the part of the Trustee (unless action is required by it to effect such release).

Enforcement of security interest

The ability of the Security Agent to enforce any Security Interest is restricted by the terms of the Intercreditor Agreement by reference to the interests of the trustee under the 2026 Indenture and the 2027 Indenture, the lenders under the Revolving Credit Facility, the lenders under the Senior Term Loan Facility and, if any, the counterparties to certain Hedging Obligations. See "*Description of certain financing arrangements—Intercreditor Agreement*." It may also be restricted by similar arrangements in relation to future Indebtedness that is secured by the Collateral in compliance with the Indenture and the Intercreditor Agreement.

Similar provisions may be included in any Additional Intercreditor Agreement entered into in compliance with the "*—Certain covenants—Additional intercreditor agreements*" covenant below.

The Intercreditor Agreement establishes the relative rights of certain creditors of the Issuer and the Guarantors under certain of our financing arrangements, including the Notes, the 2026 Notes, the 2027 Notes, the Revolving Credit Facility, the Senior Term Loan Facility, certain Hedging Obligations, if any, and certain other future Indebtedness that

is secured by the Collateral. See "*Description of certain financing arrangements—Intercreditor Agreement*." Pursuant to the terms of the Intercreditor Agreement, any liabilities in respect of obligations under the Revolving Credit Facility and any Credit Facilities Incurred pursuant to clause (1) of the second paragraph of the "*—Certain covenants—Limitation on Indebtedness*" covenant below and any Hedging Obligations Incurred pursuant to clause (6) of the second paragraph of the "*—Certain covenants—Limitation on Indebtedness*" covenant below and permitted to be secured by the Collateral (see "*—Certain definitions—Permitted Collateral Liens*") will receive priority with respect to any proceeds received upon enforcement of any Collateral and certain distressed disposals in accordance with the Intercreditor Agreement. Any proceeds received upon any enforcement over any Collateral and certain distressed disposals, after all obligations under the Revolving Credit Facility or any such Credit Facilities have been repaid and such Hedging Obligations have been discharged from such recoveries, will be applied *pro rata* in repayment of all obligations under the Indenture, the Notes and the Notes Guarantees and any other obligations of the Issuer and the Guarantors permitted to be Incurred and secured by the Collateral on a *pari passu* basis pursuant to the Indenture and the Intercreditor Agreement, including the 2026 Notes, the 2027 Notes and the Senior Term Loan Facility.

Optional redemption

Except as described below and except as described under "*—Redemption for taxation reasons*," the Notes are not redeemable at the option of the Issuer until February 5, 2025.

On and after February 5, 2025, the Issuer may redeem all or, from time to time, part of the Notes upon not less than 10 nor more than 60 days' notice to Holders, at 100% of their principal amount *plus* accrued and unpaid interest and Additional Amounts, if any, to, but not including, the applicable redemption date (subject to the right of Holders of record on the relevant record date to receive interest due on the relevant interest payment date).

Prior to February 5, 2025, the Issuer may redeem all or, from time to time, a part of the Notes, upon not less than 10 nor more than 60 days' notice to Holders, at a redemption price equal to 100% of the principal amount of the Notes redeemed *plus* the Applicable Premium and accrued and unpaid interest and Additional Amounts, if any, to, but not including, the applicable redemption date (subject to the right of Holders of record on the relevant record date to receive interest due on the relevant interest payment date).

General

The Issuer may repurchase Notes at any time and from time to time in the open market or otherwise. Notice of redemption will be provided as set forth under "*—Selection and notice*" below.

Unless the Issuer defaults in the payment of the redemption price, interest will cease to accrue on the Notes or portion thereof called for redemption on the applicable redemption date. Any such 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 a Person on behalf of the Issuer 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 is subject to satisfaction of one or more conditions precedent, the notice of such redemption 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 requested in writing by the Issuer, which request may be included in the applicable notice of redemption or pursuant to the applicable Officer's Certificate, the Trustee (or such other entity directed, designated or appointed (as agent) by the Trustee, for this purpose) shall distribute any amounts deposited to the Holders prior to the applicable redemption date, *provided*, *however*, that Holders shall have received at least three Business Days' notice from the Issuer of such earlier repayment (which may be included in the notice of redemption). For the avoidance of doubt, the distribution and payment to Holders prior to the applicable redemption date as set forth above will not include any negative interest, present value adjustment, break costs or any other premium on such amounts. To the extent the Notes are represented by a Global Note deposited with a common depositary for a clearing system, any payment to the beneficial holders holding Book-Entry Interests as participants of such clearing system will be subject to the then applicable procedures of such clearing system. For the avoidance of doubt, the Trustee and the Paying Agent shall not be liable to any party for any reason as a result of such amounts being distributed to Holders prior to any applicable redemption date.

If the Issuer effects an optional redemption of the Notes, it will, for so long as the Notes are listed on the Securities Official List of the Luxembourg Stock Exchange and the rules of the Luxembourg Stock Exchange so require, as soon as reasonably practicable after the applicable redemption date inform the Luxembourg Stock Exchange of such optional redemption and confirm the aggregate principal amount of the Notes that will remain outstanding immediately after such redemption.

If the optional redemption date is on or after an interest record date and on or before the related interest payment date, the accrued and unpaid interest will be paid to the Person in whose name the Note is registered at the close of business on such record date, and no additional interest will be payable to Holders whose Notes will be subject to redemption by the Issuer.

Notwithstanding the foregoing, in connection with any tender offer for any series of the Notes, including a Change of Control Offer (as defined below) or Asset Disposition Offer (as defined below), if Holders of not less than 90% in aggregate principal amount of the applicable outstanding Notes of such series validly tender and do not withdraw such Notes in such tender offer and the Issuer, or any third party making such a tender offer in lieu of the Issuer, purchases all of the Notes of such series validly tendered and not withdrawn by such Holders, all Holders of the Notes will be deemed to have consented to such tender offer and accordingly, the Issuer will have the right upon not less than 10 nor more than 60 days' prior notice to Holders, given not more than 30 days following such tender offer expiration date, to redeem the Notes of such series that remain outstanding in whole, but not in part, following such purchase at a price equal to the price offered to each other Holder (excluding any early tender or incentive fee) in such tender offer, *plus*, to the extent not included in the tender offer payment, accrued and unpaid interest and Additional Amounts, if any, thereon, to, but not including, the applicable redemption date (subject to the right of Holders of record on the relevant record date to receive interest due on the relevant interest payment date). In determining whether the Holders of at least 90% of the aggregate principal amount of the then outstanding Notes of any series have validly tendered and not validly withdrawn such Notes in a tender offer, Notes owned by the Issuer or its Affiliates or by funds controlled or managed by any Affiliate of the Issuer, or any successor thereof, shall be deemed to be outstanding for the purposes of such tender offer.

Sinking fund

The Issuer is not required to make mandatory redemption payments or sinking fund payments with respect to the Notes.

Redemption at maturity

On July 31, 2030, the Issuer will redeem the Notes that have not been previously redeemed or purchased and cancelled at 100% of their principal amount *plus* accrued and unpaid interest thereon and Additional Amounts, if any, to, but not including, the redemption date (subject to the right of Holders of record on the relevant record date to receive interest due on the relevant interest payment date).

Selection and notice

If less than all the Notes is to be redeemed at any time, the Notes will be selected for redemption in compliance with the requirements of the principal securities exchange, if any, on which the Notes are listed, and in compliance with the requirements of Euroclear 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 or Clearstream, or Euroclear or Clearstream prescribes no method of selection based on a method that most nearly approximates a *pro rata* selection as the Registrar or a Paying Agent (as applicable) deems fair and appropriate; *provided*, *however*, that no Note of €100,000 in principal amount or less shall be redeemed in part and only Notes in integral multiples of €1,000 will be redeemed. None of the Trustee or any Agent will be liable for any selections made in accordance with this paragraph.

So long as any Notes are listed on the Securities Official List of the Luxembourg Stock Exchange and the rules of the Luxembourg Stock Exchange so require, any such notice to the Holders of the relevant Notes shall to the extent and in the manner permitted by such rules, be posted on the official website of the Luxembourg Stock Exchange (*www.luxse.com*) concurrently with the notice delivered via mail or through Euroclear and Clearstream or as soon as reasonably practicable thereafter and in addition to such release, not less than 10 nor more than 60 days prior to the redemption date, the Issuer shall mail such notice to Holders by first class mail, postage prepaid, at their respective addresses as they appear on the registration books of the Registrar, except that redemption notices may be mailed more than 60 days prior to a redemption date if the notice is issued in connection with a defeasance of the Notes or a satisfaction and discharge of the Indenture. For Notes which are represented by Global Notes held on behalf of Euroclear or Clearstream, notices may be given by delivery of the relevant notices to Euroclear or Clearstream for communication to entitled account holders in substitution for the aforesaid mailing.

If any Note is to be redeemed in part only, the notice of redemption that relates to that Note shall state the portion of the principal amount thereof to be redeemed. In the case of a Definitive Registered Note, a new Definitive Registered Note in principal amount equal to the unredeemed portion of any Definitive Registered Note redeemed in part will be issued in the name of the Holder thereof upon cancellation of the original Definitive Registered Note. In the case of a Global Note, an appropriate notation will be made on such Note to decrease the principal amount thereof to an amount equal to the unredeemed portion thereof. Subject to the terms of the applicable redemption notice, Notes called for redemption become due on the date fixed for redemption. On and after the redemption date, interest ceases to accrue on Notes or portions of Notes called for redemption.

Redemption for taxation reasons

The Issuer may redeem the Notes in whole, but not in part, at any time upon giving not less than 10 nor more than 60 days' notice to the Holders (which notice will be irrevocable) at a redemption price equal to 100% of the outstanding principal amount thereof, together with accrued and unpaid interest, if any to, but excluding, the date fixed for redemption (a "**Tax Redemption Date**") (subject to the right of Holders of record on the relevant record date to receive interest due on the relevant interest payment date) and all Additional Amounts, if any, then due and which will become due on the Tax Redemption Date as a result of the redemption or otherwise, if a member of senior management or the Board of Directors of the Issuer determines in good faith that, as a result of:

(1) any change in, or amendment to, the laws or treaties (or any regulations or rulings promulgated thereunder) of a Relevant Taxing Jurisdiction (as defined below) which change or amendment is not publicly announced prior to the Issue Date, and becomes effective on or after the Issue Date (or, if a Relevant Taxing Jurisdiction becomes a Relevant Taxing Jurisdiction on a date after the Issue Date, on or after such later date); or

(2) any change in, or amendment to, an official written position regarding the application, administration or interpretation of such laws, treaties, regulations or rulings (including by virtue of a holding, judgment or order by a court of competent jurisdiction) of a Relevant Taxing Jurisdiction, which change or amendment is not publicly announced prior to the Issue Date, and becomes effective on or after the Issue Date (or, if a Relevant Taxing Jurisdiction became a Relevant Taxing Jurisdiction on a date after the Issue Date, on or after such later date) (each of the foregoing in clauses (1) and (2), a "**Change in Tax Law**"),

the Issuer or any Guarantor is, or on the next interest payment date in respect of the Notes would be, required to pay any Additional Amounts, and such obligation cannot be avoided by taking reasonable measures available to the Issuer or such Guarantor (including, for the avoidance of doubt, the appointment of a new Paying Agent). Notice of redemption for taxation reasons will be published in accordance with the procedures described under "—*Selection and notice*."

Notwithstanding the foregoing, no such notice of redemption will be given (a) earlier than 90 days prior to the earliest date on which the Issuer or any Guarantor would be obliged to pay Additional Amounts and (b) unless at the time such notice is given, such obligation to pay such Additional Amounts remains in effect. Prior to the publication or mailing of any notice of redemption of such Notes pursuant to the foregoing, the Issuer will deliver to the Trustee (a) an Officer's Certificate stating that it is entitled to effect such redemption and that it or the relevant Guarantor would not be able to avoid the obligation to pay Additional Amounts by taking reasonable measures available to it and (b) an opinion of an independent tax counsel of recognized standing and reasonably satisfactory to the Trustee to the effect that the Issuer has been or will become obligated to pay Additional Amounts as a result of a Change in Tax Law. The Trustee will accept such Officer's Certificate and opinion as sufficient evidence of the satisfaction of the conditions precedent described above and compliance with the Indenture, without further inquiry, in which event it will be conclusive and binding on the Holders.

The foregoing will apply (a) to any Guarantor only if the payment giving rise to such requirement cannot be made by the Issuer or another Guarantor without the obligation to pay Additional Amounts and (b) *mutatis mutandis* to any successor Person and to any jurisdiction in which any successor Person is incorporated or organized or otherwise considered to be a tax resident or maintaining a permanent establishment or doing business for Tax purposes or any jurisdiction from or through which any payment on the Notes or any Notes Guarantee is made by or on behalf of such successor Person and any political subdivision or taxing authority or agency thereof or therein.

Withholding taxes

All payments made by or on behalf of the Issuer or any Guarantor thereto (each, a "**Payor**") under or with respect to the Notes or any Notes Guarantee will be made free and clear of and without withholding or deduction for, or on account of, any present or future Taxes unless the withholding or deduction of such Taxes is then required by law. If any

deduction or withholding for, or on account of, any Taxes imposed or levied by:

(1) any jurisdiction in which a Payor is then incorporated, organized, or otherwise considered to be a tax resident or maintaining a permanent establishment or doing business for tax purposes, or any political subdivision or governmental authority thereof or therein having the power to tax; or

(2) any jurisdiction from or through which any payment under or with respect to any such Note or Notes Guarantee is made by or on behalf of such Payor (including, without limitation, the jurisdiction of any Paying Agent for the Notes), or any political subdivision or governmental authority thereof or therein having the power to tax (each of clauses (1) and (2), a "**Relevant Taxing Jurisdiction**"),

will at any time be required in respect of any payments made by or on behalf of a Payor under or with respect to any Note or Notes Guarantee, including, without limitation, payments of principal, redemption price, purchase price, premium, if any, or interest, the Payor will pay (together with such payments) such additional amounts (the "**Additional Amounts**") as may be necessary in order that the net amounts received in respect of such payments after such withholding, deduction or imposition (including any such deduction, withholding or imposition in respect of such Additional Amounts), will equal the amounts which would have been received in respect of such payments in the absence of such withholding, deduction or imposition; *provided*, *however*, that no such Additional Amounts will be payable for or on account of:

(a) any Taxes, to the extent such Taxes would not have been so imposed but for the existence of any actual or deemed present or former connection between the relevant Holder or the beneficial owner of a Note (or between a fiduciary, settlor, beneficiary, partner, member or shareholder of, or possessor of power over the relevant Holder or beneficial owner, if the relevant Holder or beneficial owner is an estate, nominee, trust, partnership, limited liability company or corporation) and the Relevant Taxing Jurisdiction (including being a citizen or resident or national or domiciliary of, or carrying on a trade or business or maintaining a permanent establishment, place of business or place of management in, the Relevant Taxing Jurisdiction) but excluding, in each case, any connection arising solely from the acquisition or ownership of a Note or the receipt of any payment in respect of, or the enforcement of, the Notes or any Notes Guarantee;

(b) any Taxes, to the extent such Taxes are imposed or withheld by reason of the failure by the Holder or the beneficial owner of the Note to comply with a written request of any Payor addressed to the Holder or beneficial owner (and made at a time that would enable the Holder or beneficial owner acting reasonably to comply with that request) to comply with any certification, information, documentation or other reporting requirements, which are required by applicable law, treaty, regulation or administrative practice of the Relevant Taxing Jurisdiction as a precondition to exemption from all or part of such Taxes imposed by the Relevant Taxing Jurisdiction, but only to the extent the Holder or beneficial owner is legally entitled to provide such certification, information or documentation;

(c) any Taxes that are required to be paid other than by deduction or withholding from a payment on the Notes or any Notes Guarantee;

(d) any estate, inheritance, gift, value added, sales, transfer, personal property or similar Tax;

(e) any Taxes imposed, withheld or deducted pursuant to Sections 1471 through 1474 of the Code (or any amended or successor version of such sections that is substantively comparable and not materially more onerous to comply with), the Treasury regulations thereunder, any official interpretations thereof or any similar law or regulations 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; or

(f) any combination of the above.

Such Additional Amounts will also not be payable if the payment could have been made without such deduction or withholding if the beneficiary of the payment had presented the Note for payment (where Notes are in the form of Definitive Registered Notes and presentation is required for payment) within 30 days after the relevant payment was 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).

In addition, such Additional Amounts shall not be paid with respect to any payment to any Holder who is a fiduciary or a partnership or any person other than the beneficial owner of such Notes to the extent that the beneficiary or settlor with respect to such fiduciary, the member of such partnership or the beneficial owner of such Notes would not have been entitled to such Additional Amounts had such beneficiary, settlor, member or beneficial owner held such Notes directly.

The Payor or the applicable withholding agent will (i) make any required withholding or deduction and (ii) timely remit the full amount deducted or withheld to the Relevant Taxing Jurisdiction in accordance with applicable law. The Payor will (i) use all reasonable efforts to obtain certified copies of tax receipts evidencing the payment by the Payor of any Taxes so deducted or withheld from each Relevant Taxing Jurisdiction imposing such Taxes, in such form as provided in the ordinary course by the Relevant Taxing Jurisdiction or, if notwithstanding such Payor's efforts to obtain such tax receipts, such tax receipts are not obtained, then such other evidence of payment of such Taxes by the Payor as is reasonably satisfactory to the Trustee and (ii) will provide such certified copies or such evidence of payment to the Trustee, within a reasonable time after the date the payment of any Taxes so deducted or withheld is made. Copies of such documentation will be available for inspection during ordinary business hours at the office of the Trustee by the Holders upon request and will be made available at the offices of the Listing Agent if the Notes are then listed on the Luxembourg Stock Exchange.

If any Payor becomes aware that it will be obligated to pay Additional Amounts with respect to any payment made under or with respect to any Note or Notes Guarantee, at least 30 days prior to the date of such payment, the Payor will deliver to the Trustee and the Paying Agent an Officer's Certificate stating the fact that Additional Amounts will be payable and the amount so payable and such other information necessary to enable the Paying Agent to pay Additional Amounts to Holders or the beneficial owner on the relevant payment date (unless such obligation to pay Additional Amounts arises, or the Payor becomes aware of such obligation, less than 45 days prior to the relevant payment date, in which case the Payor may deliver such Officer's Certificate as promptly as practicable after the date that is 30 days prior to the payment date). The Trustee will be entitled to rely solely on such Officer's Certificate as conclusive proof that such payments are necessary. The relevant Payor will provide the Trustee with documentation reasonably satisfactory to the Trustee evidencing the payment of Additional Amounts.

Wherever there are mentioned, in any context in any of the Indenture, the Notes Guarantees or this "*Description of the Notes*": (1) the payment of principal, (2) purchase price in connection with a purchase of Notes, (3) interest, or (4) any other amount payable on or with respect to the Notes, such reference shall be deemed to include payment of Additional Amounts as described under this heading to the extent that, in such context, Additional Amounts are, were or would be payable in respect thereof.

The Payor will pay any present or future stamp, issue, registration, court or documentary Taxes, or any other excise, property or similar Taxes (including any reasonable expenses related thereto) that arise in any Relevant Taxing Jurisdiction from the execution, issuance, delivery, initial resale, or registration of, or any payments under or with respect to any Notes, the Indenture, any Notes Guarantee or any other document or instrument in relation thereto, or in any tax jurisdiction on the enforcement of any of the foregoing (other than on a transfer of Notes other than the initial resale by the Initial Purchasers) and the Payor agrees to indemnify the Holders for any such Taxes paid by or on behalf of such Holders.

The foregoing obligations will survive any termination, defeasance or discharge of the Indenture, and any transfer by a Holder or beneficial owner of its Notes, and will apply *mutatis mutandis* to any successor to a Payor and to any jurisdiction in which any successor to the Payor is incorporated or otherwise considered to be a tax resident or maintaining a permanent establishment or doing business for Tax purposes or any jurisdiction from or through which any payment on the Notes or any Notes Guarantee is made by or on behalf of such successor and any political subdivision or taxing authority or agency thereof or therein.

Change of Control

If a Change of Control occurs, subject to the terms of the covenant described under this heading "—*Change of Control*," each Holder will have the right to require the Issuer to repurchase all or any part (equal to €100,000 or an integral multiple of €1,000 in excess thereof) of such Holder's Notes at a purchase price in cash equal to 101% of the principal amount of each Note, *plus* accrued and unpaid interest and Additional Amounts, if any, to, but not including, the date of purchase (subject to the right of Holders of record on the relevant record date to receive interest due on the relevant interest payment date); *provided*, *however*, that the Issuer shall not be obliged to repurchase Notes as described under this heading "—*Change of Control*" in the event and to the extent that it has unconditionally exercised its right to redeem all of the Notes as described under "—*Optional redemption*" or "—*Redemption for taxation reasons*" and has not

defaulted in the payment of the applicable redemption price or all conditions to such redemption have been satisfied or waived.

Unless the Issuer has unconditionally exercised its right to redeem all the Notes as described under "*—Optional redemption*" or "*—Redemption for taxation reasons*" and has not defaulted in the payment of the applicable redemption price or all conditions to such redemption have been satisfied or waived, no later than the date that is 60 days after any Change of Control, the Issuer will deliver a notice (the "**Change of Control Offer**") to each Holder of any such Notes, by mail or otherwise in accordance with the procedures set forth in the Indenture, with a copy to the Trustee:

(1) stating that a Change of Control has occurred or may occur and that such Holder has the right to require the Issuer to purchase all or any part of such Holder's Notes at a purchase price in cash equal to 101% of the principal amount of such Notes *plus* accrued and unpaid interest and Additional Amounts, if any, to, but not including, the date of purchase (subject to the right of Holders of record on the relevant record date to receive interest on the relevant interest payment date) (the "**Change of Control Payment**");

(2) stating the repurchase date (which shall be no earlier than 30 days nor later than 60 days from the date such notice is mailed) (the "**Change of Control Payment Date**") and the record date;

(3) stating that any Note accepted for payment pursuant to the Change of Control Offer will cease to accrue interest after the Change of Control Payment Date unless the Change of Control Payment is not paid, and that any Notes or part thereof not tendered will continue to accrue interest;

(4) describing the circumstances and relevant facts regarding the transaction or transactions that constitute the Change of Control;

(5) describing the procedures determined by the Issuer, consistent with the Indenture, that a Holder must follow in order to have its Notes repurchased; and

(6) if such notice is delivered prior to the occurrence of a Change of Control, stating that the Change of Control Offer is conditional on the occurrence of such Change of Control.

On the Change of Control Payment Date, if the Change of Control shall have occurred, the Issuer will, to the extent lawful:

(1) accept for payment all Notes or portion thereof properly tendered pursuant to the Change of Control Offer;

(2) deposit with the Paying Agent an amount equal to the Change of Control Payment in respect of all Notes so tendered;

(3) deliver or cause to be delivered to the Trustee an Officer's Certificate stating the aggregate principal amount of Notes or portions of the Notes being purchased by the Issuer in the Change of Control Offer;

(4) in the case of Global Notes, deliver, or cause to be delivered, to the Paying Agent the Global Notes in order to reflect thereon the portion of such Notes or portions thereof that have been tendered to and purchased by the Issuer; and

(5) in the case of Definitive Registered Notes, deliver, or cause to be delivered, to the relevant Registrar for cancellation all Definitive Registered Notes accepted for purchase by the Issuer.

If any Definitive Registered Notes have been issued, the Paying Agent will promptly deliver (or cause to be delivered), at the Issuer's expense, to each Holder of Definitive Registered Notes so tendered the Change of Control Payment for such Notes, and the Trustee will, at the Issuer's expense, promptly authenticate and mail to each Holder of Definitive Registered Notes a new Definitive Registered Note equal in principal amount to the unpurchased portion of the Notes surrendered, if any; *provided* that each such new Note will be in a principal amount that is at least €100,000 and integral multiples of €1,000 in excess thereof.

So long as any Notes are listed on the Securities Official List of the Luxembourg Stock Exchange and the rules of the Luxembourg Stock Exchange so require, the Issuer will publish any notice relating to the Change of Control Offer, to the extent and in the manner permitted by such rules, on the official website of the Luxembourg Stock Exchange (*www.luxse.com*).

The Change of Control provisions described above 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, the Indenture does not contain provisions that permit the Holders to require that the Issuer repurchase or redeem the Notes in the event of a takeover, recapitalization or similar transaction. The existence of a Holder's right to require the Issuer to repurchase such Holder's Notes upon the occurrence of a Change of Control may deter a third party from seeking to acquire the Issuer or its Subsidiaries in a transaction that would constitute a Change of Control.

The Issuer will not be required to make a Change of Control Offer upon a Change of Control if a third party makes the Change of Control Offer in the manner, at the times and otherwise in compliance with the requirements set forth in the Indenture applicable to a Change of Control Offer made by the Issuer and purchases all Notes validly tendered and not withdrawn under such Change of Control Offer. Notwithstanding anything to the contrary contained herein, a Change of Control Offer may be made in advance of a Change of Control, conditioned upon the consummation of such Change of Control, if a definitive agreement is in place for the Change of Control at the time the Change of Control Offer is made.

The Issuer will comply, to the extent applicable, with the requirements of Section 14(e) of the Exchange Act and any other securities laws or regulations in connection with the repurchase of Notes pursuant to this covenant. To the extent that the provisions of any securities laws or regulations conflict with provisions of the Indenture, the Issuer will comply with the applicable securities laws and regulations and will not be deemed to have breached its obligations under the Change of Control provisions of the Indenture by virtue of the conflict. The Issuer may rely on any no-action letters issued by the SEC indicating that the staff of the SEC will not recommend enforcement action in the event a tender offer satisfies certain conditions.

The Issuer's ability to repurchase Notes issued by it pursuant to a Change of Control Offer may be limited by a number of factors. The occurrence of certain of the events that constitute a Change of Control would require a mandatory prepayment of Indebtedness under the Revolving Credit Facility. In addition, certain events that may constitute a change of control under the Revolving Credit Facility and require a mandatory prepayment of Indebtedness under such agreement may not constitute a Change of Control under the Indenture. Future Indebtedness of the Issuer or its Subsidiaries may also contain prohibitions of certain events that would constitute a Change of Control or require such Indebtedness to be repurchased or repaid upon a Change of Control. Moreover, the exercise by the Holders of their right to require the Issuer to repurchase the Notes could cause a default under, or require a repurchase of, such Indebtedness, even if the Change of Control itself does not, due to the financial effect of such repurchase on the Issuer. Finally, the Issuer's ability to pay cash to the Holders upon a repurchase may be limited by the Issuer's then existing financial resources. There can be no assurance that sufficient funds will be available when necessary to make any required repurchases. See "*Risk factors—Risks related to our financing arrangements and the Notes—We may not have the ability to raise the funds necessary to finance an offer to repurchase the Notes upon the occurrence of certain events constituting a Change of Control as required by the Indenture, and the change of control provision contained in the Indenture may not necessarily afford you protection in the event of certain important corporate events*."

In addition, the definitions of "Change of Control" and "Permitted Holders" expressly permit a third party to obtain control of the Issuer in a transaction which is a Specified Change of Control Event without any obligation to make a Change of Control Offer.

The definition of "Change of Control" includes a disposition of all or substantially all of the property and assets of the Issuer and its Restricted Subsidiaries taken as a whole to specified other Persons. Although there is a limited body of case law interpreting the phrase "substantially all," there is no precise established definition of the phrase "substantially all" under applicable law. Accordingly, in certain circumstances there may be a degree of uncertainty as to whether a particular transaction would involve a disposition of "substantially all" of the property or assets of a Person. As a result, it may be unclear as to whether a Change of Control has occurred and whether a Holder may require the Issuer to make an offer to repurchase the Notes as described above.

The provisions of the Indenture relating to the Issuer's obligation to make an offer to repurchase the Notes as a result of a Change of Control may be waived or modified with the written consent of Holders of a majority in aggregate principal amount of the Notes.

Certain covenants

Limitation on Indebtedness

The Issuer will not, and will not permit any of its Restricted Subsidiaries to, Incur any Indebtedness (including Acquired Indebtedness); *provided*, *however*, that the Issuer and any Guarantor may Incur Indebtedness if, on the date of such

Incurrence and after giving *pro forma* effect thereto (including *pro forma* application of the proceeds thereof):

(i) the Fixed Charge Coverage Ratio for the Issuer 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 would have been at least 2.0 to 1.0; and

(ii) to the extent that the Indebtedness is Senior Secured Indebtedness, the Consolidated Senior Secured Net Leverage Ratio for the Issuer 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 would have been no greater than 4.2 to 1.0.

The first paragraph of this covenant will not prohibit the Incurrence of the following Indebtedness:

(1) Indebtedness Incurred pursuant to any Credit Facility (including in respect of letters of credit or bankers' acceptances issued or created thereunder), and Guarantees in respect of such Indebtedness, in a maximum aggregate principal amount at any time outstanding not exceeding (i) the greater of (x) €230 million and (y) 50% of Consolidated EBITDA *plus* (ii) the greater of (x) €115 million and (y) 25% of Consolidated EBITDA;

(2) (a) Guarantees by the Issuer or any Restricted Subsidiary of Indebtedness of the Issuer or any Restricted Subsidiary in each case, so long as the Incurrence of such Indebtedness is permitted under the terms of the Indenture (other than pursuant to this clause (2)); *provided* that, if Indebtedness being Guaranteed is subordinated or *pari passu* with to the Notes or a Notes Guarantee, then the Guarantee must be subordinated or *pari passu*, as applicable, to the same extent as the Indebtedness Guaranteed; and

(b) without limiting the "*—Limitation on Liens*" covenant, Indebtedness arising by reason of any Lien granted by or applicable to such Person securing Indebtedness of the Issuer or any Restricted Subsidiary so long as the Incurrence of such Indebtedness is permitted under the terms of the Indenture (other than pursuant to this clause (2));

(3) Indebtedness of the Issuer owing to and held by any Restricted Subsidiary or Indebtedness of a Restricted Subsidiary owing to and held by the Issuer or any Restricted Subsidiary; *provided*, *however*, that:

(a) (i) any subsequent issuance or transfer of Capital Stock or any other event which results in any such Indebtedness being beneficially held by a Person other than the Issuer or a Restricted Subsidiary; and (ii) any sale or other transfer of any such Indebtedness to a Person other than the Issuer or a Restricted Subsidiary, shall be deemed, in each case, to constitute an Incurrence of such Indebtedness not permitted by this clause by the Issuer or such Restricted Subsidiary, as the case may be; and

(b) if the Issuer or a Guarantor is the obligor on such Indebtedness and the obligee is not the Issuer or a Guarantor, such Indebtedness must be (i) unsecured and (ii) expressly subordinated to the prior payment in full in cash of all obligations with respect to the Notes or the applicable Notes Guarantee, in the case of a Guarantor, only if and to the extent required by the Intercreditor Agreement;

(4) (a) Indebtedness represented by the Notes (other than any Additional Notes) and any Guarantee thereof, (b) any Indebtedness (other than Indebtedness described in clauses (1), (3), (4)(a) and (7) of this paragraph) entered into or outstanding on the Issue Date, after giving *pro forma* effect to the Transactions, (c) Refinancing Indebtedness Incurred in respect of any Indebtedness described in sub-clauses (a), (b) and (c) of this clause (4) or clause (5)(B) of this paragraph or Incurred pursuant to the first paragraph of this covenant, (d) any "parallel debt" obligations created in favor of the Security Agent under the Intercreditor Agreement, any Additional Intercreditor Agreement or the Security Documents and (e) Indebtedness in respect of Management Advances;

(5) Indebtedness of (x) the Issuer or any Guarantor Incurred to finance an acquisition or (y) Persons that are acquired by the Issuer or any of its Restricted Subsidiaries or merged, consolidated, amalgamated with or into the Issuer or any of its Restricted Subsidiaries in accordance with the terms of the Indenture, in each case of (x) and (y), in an aggregate principal amount not to exceed: (A) an aggregate outstanding principal amount which, when taken together with the principal amount of all other Indebtedness Incurred pursuant to this clause (5)(A) and then outstanding, will not exceed at any time outstanding the greater of (x) €70 million and (y) 15% of Consolidated EBITDA; *plus* (B) unlimited additional Indebtedness to the extent that, after giving effect to such acquisition or merger, consolidation or amalgamation either: (a) the Issuer would be permitted to Incur at least €1.00 of additional

Indebtedness pursuant to the Fixed Charge Coverage Ratio test set forth in the first paragraph of this covenant and, if such Indebtedness is Senior Secured Indebtedness, the Issuer would be permitted to Incur at least €1.00 of additional Senior Secured Indebtedness pursuant to the Consolidated Senior Secured Net Leverage Ratio test set forth in the first paragraph of this covenant; or (b) the Fixed Charge Coverage Ratio of the Issuer would not be less than and, if such Indebtedness is Senior Secured Indebtedness, the Consolidated Senior Secured Net Leverage Ratio would not be greater than, it was immediately prior to giving effect to such acquisition or merger, consolidation or amalgamation;

(6) Indebtedness under Currency Agreements, Interest Rate Agreements and Commodity Hedging Agreements entered into for *bona fide* hedging purposes of the Issuer or its Restricted Subsidiaries and not for speculative purposes (as determined in good faith by a member of senior management or the Board of Directors of the Issuer);

(7) Indebtedness (a) consisting of (i) Capitalized Lease Obligations, mortgage financings, Purchase Money Obligations or other financings, Incurred for the purpose of financing all or any part of the purchase price or cost of construction or improvement of property, plant or equipment used in a Similar Business or (ii) Indebtedness otherwise Incurred to finance the purchase, lease, rental or cost of design, construction, installation or improvement of property (real or personal) or equipment that is used or useful in a Similar Business, whether through the direct purchase of assets or the Capital Stock of any Person owning such assets, and any Indebtedness which refinances, replaces or refunds such Indebtedness (*provided* that, in each case, the Indebtedness exists on the date of such purchase, lease, rental, construction, design, installation or improvement or is created within 180 days thereafter), in an aggregate outstanding principal amount which, when taken together with the principal amount of all other Indebtedness Incurred pursuant to this clause (7)(a) and then outstanding, will not exceed at any time outstanding the greater of (x) €570 million and (y) 125% of Consolidated EBITDA or (b) in respect of obligations (including those obligations that have come into existence following December 31, 2018) that would have been treated as operating leases under IAS 17 as in existence on December 31, 2018;

(8) Indebtedness in respect of (a) workers' compensation claims, self-insurance obligations, performance, indemnity, surety, judgment, appeal, advance payment, customs, VAT or other tax or other Guarantees or other similar bonds, instruments or obligations and completion Guarantees and warranties provided by the Issuer or a Restricted Subsidiary or relating to liabilities, obligations or Guarantees Incurred in the ordinary course of business, (b) letters of credit, bankers' acceptances, Guarantees or other similar instruments or obligations issued or relating to liabilities or obligations Incurred in the ordinary course of business; *provided*, *however*, that upon the drawing of such letters of credit or other similar instruments, the obligations are reimbursed within 60 days following such drawing, (c) the financing of insurance premiums in the ordinary course of business, (d) any cash management, cash pooling or netting or setting off arrangements in the ordinary course of business and (e) Indebtedness representing deferred compensation to current or former directors, officers, employees, members of management, managers and consultants of any Parent Entity, the Issuer or any of its Subsidiaries in the ordinary course of business or consistent with past practice;

(9) Indebtedness arising from agreements providing for customary Guarantees, indemnification, obligations in respect of earnouts or other adjustments of purchase price or, in each case, similar obligations, in each case, Incurred or assumed in connection with the acquisition or disposition of any business or assets or Person or any Capital Stock of a Subsidiary (other than Guarantees of Indebtedness Incurred by any Person acquiring or disposing of such business or assets or such Subsidiary for the purpose of financing such acquisition or disposition); *provided* that the maximum liability of the Issuer and its Restricted Subsidiaries in respect of all such Indebtedness in connection with any such disposition shall at no time exceed the gross proceeds, including the fair market value of non-cash proceeds (measured at the time received and without giving effect to any subsequent changes in value), actually received by the Issuer and its Restricted Subsidiaries in connection with such disposition;

(10) (a) Indebtedness arising from the honoring by a bank or other financial institution of a check, draft or similar instrument drawn against insufficient funds in the ordinary course of business; *provided*, *however*, that such Indebtedness is extinguished within 30 Business Days of Incurrence;

(b) take-or-pay obligations, customer deposits and advance payments received in the ordinary course of business consistent with past practice from customers for goods purchased in the ordinary course of business;

(c) Indebtedness owed on a short-term basis of no longer than 60 days to banks and other financial institutions Incurred in the ordinary course of business of the Issuer and its Restricted Subsidiaries with such banks or financial institutions that arises in connection with ordinary banking arrangements to manage cash balances of the Issuer and its Restricted Subsidiaries; and

(d) Indebtedness Incurred by the Issuer or a Restricted Subsidiary in connection with bankers' acceptances, discounted bills of exchange or the discounting or factoring of receivables for credit management of bad debt purposes, in each case Incurred or undertaken in the ordinary course of business on arm's length commercial terms;

(11) Indebtedness (including any Refinancing Indebtedness in respect thereof) of the Issuer or any of its Restricted Subsidiaries in an aggregate outstanding principal amount which, when taken together with the principal amount of all other Indebtedness Incurred pursuant to this clause (11) and then outstanding, will not exceed 100% of the Net Cash Proceeds received by the Issuer from the issuance or sale (other than to a Restricted Subsidiary) of its Subordinated Shareholder Funding or Capital Stock (other than Disqualified Stock, Designated Preference Shares, Excluded Amounts, an Excluded Contribution or a Parent Debt Contribution) or otherwise contributed to the equity (other than through the issuance of Disqualified Stock, Designated Preference Shares, Excluded Amounts, an Excluded Contribution or a Parent Debt Contribution) of the Issuer, in each case, subsequent to the Issue Date; *provided*, *however*, that (i) any such Net Cash Proceeds that are so received or contributed shall be excluded for purposes of making Restricted Payments under the first paragraph and clauses (1), (6) and (10) of the second paragraph of the "*—Limitation on Restricted Payments*" covenant below to the extent the Issuer and its Restricted Subsidiaries Incur Indebtedness in reliance thereon and (ii) any Net Cash Proceeds that are so received or contributed shall be excluded for purposes of Incurring Indebtedness pursuant to this clause (11) to the extent the Issuer or any of its Restricted Subsidiaries makes a Restricted Payment under the first paragraph and clauses (1), (6) and (10) of the second paragraph of the "*—Limitation on Restricted Payments*" covenant below in reliance thereon;

(12) any Guarantees by the Issuer or any Guarantor of Parent Debt, the net proceeds of which have been lent to the Issuer pursuant to an Issuer Proceeds Loan; *provided* that such Issuer Proceeds Loan has been Incurred in compliance with this covenant other than this clause (12); *provided*, *further,* that such Guarantees are subordinated to the Notes and the Notes Guarantees, as applicable, pursuant to the Intercreditor Agreement or an Additional Intercreditor Agreement and that, subject to the Agreed Security Principles, such Issuer Proceeds Loan is pledged to secure the Notes and the Notes Guarantees on a shared first-ranking basis in accordance with the Intercreditor Agreement and any Additional Intercreditor Agreement;

(13) Indebtedness of the Issuer or any Restricted Subsidiary consisting of local lines of credit and overdraft facilities in an aggregate amount which, when taken together with the principal amount of all other Indebtedness Incurred pursuant to this clause (13) and then outstanding, will not exceed the greater of (x) €70 million and (y) 15% of Consolidated EBITDA;

(14) Indebtedness under daylight borrowing facilities Incurred in connection with any refinancing of Indebtedness (including by way of set-off or exchange) so long as any such Indebtedness is repaid within three days of the date on which such Indebtedness is Incurred;

(15) Indebtedness (including any Refinancing Indebtedness in respect thereof) of the Issuer or any Restricted Subsidiary in an aggregate outstanding principal amount which, when taken together with the principal amount of all other Indebtedness Incurred pursuant to this clause (15) and then outstanding, will not exceed the greater of (x) €135 million and (y) 30% of Consolidated EBITDA; and

(16) Indebtedness in respect of any Permitted Recourse Receivables Financing not to exceed the greater of (x) €45 million and (y) 10% of Consolidated EBITDA.

For purposes of determining compliance with, and the outstanding amount of any particular Indebtedness Incurred pursuant to and in compliance with, this covenant:

(1) in the event that Indebtedness meets the criteria of more than one of the types of Indebtedness described in the first and second paragraphs of this covenant, the Issuer, in its sole discretion, will classify, and may from time to time reclassify, such item of Indebtedness and only be required to include the amount and type of such Indebtedness in one of the clauses of the second paragraph or the first paragraph of this covenant; *provided* that

(a) all Indebtedness outstanding under the Revolving Credit Facility shall be deemed initially Incurred under clause (1) of the second paragraph of this covenant and not the first paragraph or clause (4)(b) of the second paragraph of this covenant, and may not be reclassified, (b) all Senior Secured Indebtedness that is secured by Liens on the Collateral that is accorded super senior priority status with respect to proceeds of enforcement of Collateral under the Intercreditor Agreement or any Additional Intercreditor Agreement shall be deemed initially Incurred under clause (1) of the second paragraph of this covenant and may not be reclassified and (c) all Capitalized Lease Obligations outstanding on the Issue Date shall be deemed initially Incurred under clause (7) of the second paragraph of this covenant and not the first paragraph or clause (4)(b) of the second paragraph of this covenant and may not be reclassified;

(2) Guarantees of, or obligations in respect of letters of credit, bankers' acceptances or other similar instruments relating to, or Liens securing, Indebtedness that is otherwise included in the determination of a particular amount of Indebtedness shall not be included;

(3) if obligations in respect of letters of credit, bankers' acceptances or other similar instruments are Incurred pursuant to any Credit Facility and are being treated as Incurred pursuant to the second paragraph above or the first paragraph above and the letters of credit, bankers' acceptances or other similar instruments relate to other Indebtedness, then such other Indebtedness shall not be included;

(4) the principal amount of any Disqualified Stock of the Issuer or a Restricted Subsidiary, or Preferred Stock of a Restricted Subsidiary, will be equal to the greatest of (x) the maximum mandatory redemption, (y) repurchase price (not including, in either case, any redemption or repurchase premium) and (z) the liquidation preference thereof;

(5) Indebtedness permitted by this covenant need not be permitted solely by reference to one provision permitting such Indebtedness but may be permitted in part by one such provision and in part by one or more other provisions of this covenant permitting such Indebtedness;

(6) for the purposes of determining "Consolidated EBITDA" under the second paragraph of this covenant, (i) *pro forma* effect shall be given to Consolidated EBITDA on the same basis as for calculating the Consolidated Net Leverage Ratio of the Issuer and (ii) Consolidated EBITDA shall be measured for the most recently ended four full fiscal quarters for which internal financial statements are available;

(7) notwithstanding anything in this covenant to the contrary, in the case of any Indebtedness Incurred to refinance Indebtedness initially Incurred in reliance on a clause of the second paragraph of this covenant measured by reference to a percentage of Consolidated EBITDA, if such refinancing would cause the percentage of Consolidated EBITDA restriction to be exceeded if calculated based on the percentage of Consolidated EBITDA on the date of such refinancing, such percentage of Consolidated EBITDA restriction shall not be deemed to be exceeded so long as the principal amount of such refinancing Indebtedness does not exceed the principal amount of such Indebtedness being refinanced, *plus* any fees, costs and expenses, including premiums, defeasance costs, indemnity fees, upfront fees or any required additional tax gross-up amounts, in connection with such refinancing;

(8) 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;

(9) in the case of any Indebtedness Incurred to refinance any other Indebtedness, any Indebtedness Incurred to fund accrued and/or capitalization interest, accreted value or original issue discount, or any fees, costs and expenses, including premiums, defeasance costs, indemnity fees, upfront fees or any required additional tax gross-up amounts, will not be deemed to be Indebtedness for the purpose of calculating any basket, permission or threshold under which such refinancing Indebtedness is permitted to be Incurred; and

(10) 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 (31) 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 Senior Secured Net Leverage Ratio or the Consolidated Net Leverage Ratio, as applicable, or usage of clauses (1) through (16) 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, and, if such Fixed Charge Coverage Ratio, the Consolidated Senior Secured Net 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 Senior Secured Net Leverage Ratio or the Consolidated Net Leverage Ratio, as applicable, or other provision of the Indenture at the time of such borrowing or reborrowing (or issuance or creation of letters of credit or bankers' acceptances thereunder) (the committed amount permitted to be borrowed or reborrowed (and the issuance and creation of letters of credit and bankers' acceptances) on a date pursuant to the operation of this clause (a) shall be the "**Reserved Indebtedness Amount**" as of such date for purposes of the Fixed Charge Coverage Ratio, the Consolidated Senior Secured Net Leverage Ratio or the Consolidated Net Leverage Ratio, as applicable, and, to the extent of the usage of clauses (1) through (16) 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.

Accrual of interest, accrual of dividends, the accretion of accreted value, the accretion or amortization of original issue discount, the payment of interest in the form of additional Indebtedness, the payment of dividends in the form of additional shares of Preferred Stock or Disqualified Stock or the reclassification of commitments or obligations not treated as Indebtedness due to a change in IFRS, will not be deemed to be an Incurrence of Indebtedness for purposes of the covenant described under this "*—Limitation on Indebtedness*." The amount of any Indebtedness outstanding as of any date will be: (i) in the case of any Indebtedness issued with original issue discount, the amount of the liability in respect thereof determined in accordance with IFRS and (ii) the principal amount of the Indebtedness, in the case of any other Indebtedness. For the purposes of determining any particular amount of Indebtedness under this "*—Limitation on Indebtedness*" covenant, obligations with respect to letters of credit, Guarantees or Liens, in each case supporting Indebtedness otherwise included in the determination of such particular amount will not be included.

If at any time an Unrestricted Subsidiary becomes a Restricted Subsidiary, any Indebtedness of such Subsidiary shall be deemed to be Incurred by a Restricted Subsidiary as of such date (and, if such Indebtedness is not permitted to be Incurred as of such date under the covenant described under this "*—Limitation on Indebtedness*," the Issuer shall be in Default of this covenant).

For purposes of determining compliance with any euro-denominated restriction on the Incurrence of Indebtedness, the Euro Equivalent of the aggregate principal amount of Indebtedness denominated in another currency shall be calculated based on the relevant currency exchange rate in effect on the date such Indebtedness was Incurred, in the case of term Indebtedness, or first committed, in the case of Indebtedness Incurred under a revolving credit facility; *provided* that (a) if such Indebtedness is Incurred to refinance other Indebtedness denominated in a currency other than euro, and such refinancing would cause the applicable euro denominated restriction to be exceeded if calculated at the relevant currency exchange rate in effect on the date of such refinancing or the date as determined under clause (10) of the third paragraph of this covenant or under "*—Financial calculations*," as applicable, such euro-denominated restriction shall be deemed not to have been exceeded so long as the principal amount of such refinancing Indebtedness does not exceed the principal amount of such Indebtedness being refinanced; (b) the Euro Equivalent of the principal amount of any such Indebtedness outstanding on the Issue Date shall be calculated based on the relevant currency exchange rate in effect on the Issue Date; and (c) if any such Indebtedness that is denominated in a different currency is subject to a Currency Agreement (with respect to euro) covering principal amounts payable on such Indebtedness, the amount of such Indebtedness expressed in euro will be adjusted to take into account the effect of such agreement.

Notwithstanding any other provision of this covenant, the maximum amount of Indebtedness that the Issuer or a Restricted Subsidiary may Incur pursuant to this covenant shall not be deemed to be exceeded solely as a result of fluctuations in the exchange rate of currencies. The principal amount of any Indebtedness Incurred to refinance other Indebtedness, if Incurred in a different currency from the Indebtedness being refinanced, shall be calculated based on the currency exchange rate applicable to the currencies in which such refinancing Indebtedness is denominated that is in effect on the date of such refinancing or the date as determined under clause (10) of the third paragraph of this covenant or under "*—Financial calculations*," as applicable.

Financial calculations

When determining or calculating the availability under any basket, threshold or ratio under the Indenture in connection with any transaction (including, for the avoidance of doubt and without limitation, any Incurrence or assumption of Indebtedness (including any Reserved Indebtedness Amount) or Liens, a Change of Control, the making of any Restricted Payment, Permitted Payment or Investment, any Asset Disposition, any acquisition, merger, consolidation, amalgamation or other business combination and any other transaction requiring the testing of any basket or threshold based on the Consolidated EBITDA of the Issuer), the date of determination of such basket, threshold or ratio or the testing of any such transaction and of any Default or Event of Default shall, at the option of the Issuer, be (A) the date one or more of the relevant definitive agreements for such transaction are entered into, the date of the relevant offer, notice or commitment or any other date (as determined in good faith by a member of senior management or the Board of Directors of the Issuer) on which the definitive terms of such transaction are established (any such date, the "**Transaction Commitment Date**"), and such baskets, thresholds or ratios shall be calculated with such *pro forma* adjustments as are appropriate and consistent with the *pro forma* provisions set forth in the definition of Fixed Charge Coverage Ratio and Consolidated Net Leverage Ratio after giving effect to such 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 period for purposes of determining the ability to consummate any such transaction (and not for purposes of any subsequent availability of any basket, threshold or ratio); *provided* that the Issuer may elect to redetermine compliance with the Indenture in respect of the relevant transaction on any date on or prior to the date of its consummation (but following the Transaction Commitment Date), in which case such date of redetermination shall thereafter be the Transaction Commitment Date in respect of the relevant transaction, or (B) the date of consummation of any such transaction. For the avoidance of doubt, if any of such baskets, thresholds or ratios are determined to be in compliance under sub-clause (A) above: (x) if such baskets, thresholds or ratios are exceeded as a result of fluctuations in such baskets, thresholds or ratios (including due to fluctuations in the Indebtedness, Consolidated Net Income or Consolidated EBITDA of the Issuer or a business, asset or target company subject to such transaction) subsequent to the Transaction Commitment Date and at or prior to the consummation of the relevant transaction, such baskets, thresholds or ratios will not be deemed to have been exceeded as a result of such fluctuations solely for purposes of determining whether the relevant transaction is permitted hereunder; (y) such baskets, thresholds or ratios shall not be tested at the time of consummation of such transaction or related transactions; and (z) any such transactions (including any Incurrence of Indebtedness and the use of proceeds thereof) shall be deemed to have occurred on the Transaction Commitment Date for purposes of calculating any baskets, thresholds or ratios under the Indenture after the Transaction Commitment Date and before the earlier of the date of consummation of such transaction or the date such transaction is terminated or expires without consummation, except that in the case of an acquisition, merger or consolidation, any calculation of Consolidated Net Income or Consolidated EBITDA for purposes other than Incurrences of Indebtedness or Liens or the making of Restricted Payments (not related to such acquisition, merger or consolidation) shall not reflect such transaction until it has been consummated.

Limitation on Restricted Payments

The Issuer will not, and will not permit any of its Restricted Subsidiaries, directly or indirectly, to:

(1) declare or pay any dividend or make any other payment or distribution on or in respect of the Issuer's or any Restricted Subsidiary's Capital Stock (including any payment in connection with any merger or consolidation involving the Issuer or any of its Restricted Subsidiaries) except:

   (a) dividends or distributions payable in Capital Stock of the Issuer (other than Disqualified Stock) or in options, warrants or other rights to purchase such Capital Stock of the Issuer or in Subordinated Shareholder Funding; or

   (b) dividends or distributions payable to the Issuer or a Restricted Subsidiary (and, in the case of any such Restricted Subsidiary making such dividend or distribution, to holders of its Capital Stock other than the Issuer or any Restricted Subsidiary on no more than a *pro rata* basis, measured by value);

(2) purchase, redeem, retire or otherwise acquire for value any Capital Stock of the Issuer or any direct or indirect Parent Entity of the Issuer, held by Persons other than the Issuer or a Restricted Subsidiary (other than in exchange for Capital Stock of the Issuer (other than Disqualified Stock));

(3) make any principal payment on, or purchase, repurchase, redeem, defease or otherwise acquire or retire for value, prior to scheduled maturity, scheduled repayment or scheduled sinking fund payment, any Subordinated

Indebtedness (other than (a) any such payment, purchase, repurchase, redemption, defeasance or other acquisition or retirement or in anticipation of satisfying a sinking fund obligation, principal installment or final maturity, in each case, due within one year of the date of payment, purchase, repurchase, redemption, defeasance or other acquisition or retirement and (b) any Indebtedness Incurred pursuant to clause (3) of the second paragraph of the "*—Limitation on Indebtedness*" covenant);

(4) make any cash interest payment or any cash principal payment on, or purchase, repurchase, redeem, defease or otherwise acquire or retire for value, any Subordinated Shareholder Funding; or

(5) make any Restricted Investment in any Person (any such dividend, distribution, payment, purchase, redemption, repurchase, defeasance, other acquisition, retirement or Restricted Investment referred to in clauses (1) through (5) are referred to herein as a "**Restricted Payment**"), if at the time the Issuer or such Restricted Subsidiary makes such Restricted Payment:

(a) a Default shall have occurred and be continuing (or would result immediately thereafter therefrom);

(b) the Issuer is not able to Incur an additional €1.00 of Indebtedness pursuant to clause (i) of the first paragraph of the "*—Limitation on Indebtedness*" covenant after giving effect, on a *pro forma* basis, to such Restricted Payment; or

(c) the aggregate amount of such Restricted Payment and all other Restricted Payments made subsequent to the Issue Date (and not returned or rescinded) (including Permitted Payments permitted below by clauses (5) (without duplication of amounts paid pursuant to any other clause of the second succeeding paragraph), (10) and (19) of the second succeeding paragraph, but excluding all other Restricted Payments permitted by the second succeeding paragraph) would exceed the sum of (without duplication):

(i) 50% of Consolidated Net Income for the period (treated as one accounting period) from the first day of the first fiscal quarter commencing immediately prior to the Issue Date to the end of the most recent fiscal quarter ending prior to the date of such Restricted Payment for which internal consolidated financial statements of Issuer are available (or, in the case such Consolidated Net Income is a deficit, *minus* 100% of such deficit); *provided* that the amount taken into account pursuant to this clause (i) shall not be less than zero; *plus*

(ii) 100% of the aggregate Net Cash Proceeds, and the fair market value of property or assets or marketable securities, received by the Issuer from the issue or sale of its Capital Stock (other than Disqualified Stock or Designated Preference Shares) or Subordinated Shareholder Funding subsequent to the Issue Date or otherwise contributed to the equity (other than through the issuance of Disqualified Stock or Designated Preference Shares) of the Issuer subsequent to the Issue Date (other than (x) Net Cash Proceeds or property or assets or marketable securities received from an issuance or sale of such Capital Stock to a Restricted Subsidiary or an employee stock ownership plan or trust established by the Issuer or any Subsidiary of the Issuer for the benefit of its employees to the extent funded by the Issuer or any Restricted Subsidiary, (y) Net Cash Proceeds or property or assets or marketable securities to the extent that any Restricted Payment has been made from such proceeds in reliance on clause (6) of the second succeeding paragraph and (z) Excluded Contributions or Parent Debt Contributions); *plus*

(iii) 100% of the aggregate Net Cash Proceeds, and the fair market value of property or assets or marketable securities, received by the Issuer or any Restricted Subsidiary from the issuance or sale (other than to the Issuer or a Restricted Subsidiary or an employee stock ownership plan or trust established by the Issuer or any Subsidiary of the Issuer for the benefit of its employees to the extent funded by the Issuer or any Restricted Subsidiary) by the Issuer or any Restricted Subsidiary subsequent to the Issue Date of any Indebtedness that has been converted into or exchanged for Capital Stock of the Issuer (other than Disqualified Stock or Designated Preference Shares) or Subordinated Shareholder Funding (*plus* the amount of any cash, and the fair market value of property or assets or marketable securities, received by the Issuer or any Restricted Subsidiary upon such conversion or exchange) but excluding (x) Net Cash Proceeds to the extent that any Restricted Payment has been made from such proceeds

in reliance on clause (6) of the second succeeding paragraph and (y) Excluded Contributions or Parent Debt Contributions; *plus*

(iv) the amount equal to the net reduction in Restricted Investments made by the Issuer or any of its Restricted Subsidiaries resulting from:

(A) repurchases, redemptions or other acquisitions or retirements of any such Restricted Investment, proceeds realized upon the sale or other disposition to a Person other than the Issuer or a Restricted Subsidiary of any such Restricted Investment, repayments of loans or advances or other transfers of assets (including by way of dividend, distribution, interest payments or returns of capital) to the Issuer or any Restricted Subsidiary; or

(B) the re-designation of Unrestricted Subsidiaries as Restricted Subsidiaries (valued, in each case, as provided in the definition of "Investment") not to exceed, in the case of any Unrestricted Subsidiary, the amount of Investments previously made by the Issuer or any Restricted Subsidiary in such Unrestricted Subsidiary, which amount, in each case under this clause (iv), constituted a Restricted Payment made after the Issue Date; *provided*, *however*, that no amount will be included in Consolidated Net Income for purposes of the preceding clause (i) to the extent that it is (at the Issuer's option) included under this clause (iv); *plus*

(v) the amount of the cash and the fair market value of property or assets or of marketable securities received by the Issuer or any of its Restricted Subsidiaries in connection with:

(A) the sale or other disposition (other than to the Issuer or a Restricted Subsidiary or an employee stock ownership plan or trust established by the Issuer or any Subsidiary of the Issuer for the benefit of its employees to the extent funded by the Issuer or any Restricted Subsidiary) of Capital Stock of an Unrestricted Subsidiary; and

(B) any dividend or distribution made by an Unrestricted Subsidiary to the Issuer or a Restricted Subsidiary; plus

(vi) the greater of (i) €70 million and (ii) 15% of Consolidated EBITDA,

provided, *however*, that no amount will be included in Consolidated Net Income for purposes of the preceding clause (i) to the extent that it is (at the Issuer's option) included under this clause (v); *further provided* that, notwithstanding the foregoing, (x) any amounts (such amounts, the "**Excluded Amounts**") that would otherwise be included in the calculation of the amount available for Restricted Payments pursuant to the preceding clause (c) will be excluded to the extent (I) such amounts result from the receipt of Net Cash Proceeds or marketable securities received in contemplation of, or in connection with, an event that would otherwise constitute a Change of Control, (II) the purpose of the receipt of such Net Cash Proceeds or marketable securities was to reduce the Consolidated Net Leverage Ratio so that there would be an occurrence of a Specified Change of Control Event that would not have been achieved without the receipt of such Net Cash Proceeds or marketable securities and (III) no Change of Control Offer is made in connection with such Change of Control in accordance with the requirements of the Indenture and (y) Excluded Amounts shall be limited to the amount of Net Cash Proceeds or marketable securities necessary to reduce the Consolidated Net Leverage Ratio to cause the occurrence of a Specified Change of Control Event, and amounts of Net Cash Proceeds or marketable securities received in excess thereof shall not constitute Excluded Amounts.

The fair market value of property or assets other than cash covered by the preceding sentence shall be the fair market value thereof as determined conclusively by a member of senior management or the Board of Directors of the Issuer acting in good faith; *provided* that any determination of the fair market value of such property or assets in excess of €17 million shall be made solely by the Board of Directors of the Issuer.

The foregoing provisions will not prohibit any of the following (collectively, "**Permitted Payments**"):

(1) any Restricted Payment made by exchange (including any such exchange pursuant to the exercise of a conversion right or privilege in connection with which cash is paid in lieu of the issuance of fractional shares) for, or out of the proceeds of the substantially concurrent sale of, Capital Stock of the Issuer (other than Disqualified Stock or

Designated Preference Shares), Subordinated Shareholder Funding or a substantially concurrent contribution to the equity (other than through the issuance of Disqualified Stock or Designated Preference Shares or through an Excluded Contribution, Excluded Amounts or a Parent Debt Contribution) of the Issuer; *provided*, *however*, that to the extent so applied, the Net Cash Proceeds, or fair market value of property or assets or of marketable securities, from such sale of Capital Stock or Subordinated Shareholder Funding or such contribution will be excluded from clause (c)(ii) of the first paragraph describing this covenant or to be net cash proceeds from an Equity Offering for the purposes of the "*Optional redemption*" provisions of the Notes;

(2) any purchase, repurchase, redemption, defeasance or other acquisition or retirement of Subordinated Indebtedness made in exchange for, or out of the proceeds of the substantially concurrent Incurrence of, Refinancing Indebtedness permitted to be Incurred pursuant to the "*—Limitation on Indebtedness*" covenant above;

(3) any purchase, repurchase, redemption, defeasance or other acquisition or retirement of Preferred Stock of the Issuer or a Restricted Subsidiary made in exchange for or out of the proceeds of the substantially concurrent sale of Preferred Stock of the Issuer or a Restricted Subsidiary, as the case may be, that, in each case, is permitted to be Incurred pursuant to the "*—Limitation on Indebtedness*" covenant above, and that in each case, constitutes Refinancing Indebtedness;

(4) any purchase, repurchase, redemption, defeasance or other acquisition or retirement of Subordinated Indebtedness:

(a) (i) from Net Available Cash to the extent permitted under "*—Limitation on sales of assets and subsidiary stock*" below, but only if the Issuer shall have complied with the terms described under "*—Limitation on sales of assets and subsidiary stock*" and purchased all Notes tendered pursuant to any offer to repurchase all the Notes required thereby, prior to or substantially concurrently with purchasing, repurchasing, redeeming, defeasing or otherwise acquiring or retiring such Subordinated Indebtedness and (ii) at a purchase price not greater than 100% of the principal amount of such Subordinated Indebtedness *plus* accrued and unpaid interest and any required premium and additional tax gross-up amounts;

(b) to the extent required by the agreement governing such Subordinated Indebtedness, following the occurrence of a Change of Control (or other similar event described therein as a "change of control"), but only (i) if required, if the Issuer shall have complied with the terms described under "*—Change of Control*" and purchased all Notes tendered pursuant to the offer to repurchase all the Notes required thereby, prior to or substantially concurrently with purchasing, repurchasing, redeeming, defeasing or otherwise acquiring or retiring such Subordinated Indebtedness and (ii) at a purchase price not greater than 101% of the principal amount of such Subordinated Indebtedness *plus* accrued and unpaid interest and any required premium and additional tax gross-up amounts; or

(c) (i) consisting of Acquired Indebtedness (other than Indebtedness Incurred (A) to provide all or any portion of the funds utilized to consummate the transaction or series of related transactions pursuant to which such Person became a Restricted Subsidiary or was otherwise acquired by the Issuer or a Restricted Subsidiary or (B) otherwise in connection with or contemplation of such acquisition) and (ii) at a purchase price not greater than 100% of the principal amount of such Subordinated Indebtedness *plus* accrued and unpaid interest and any premium and additional tax gross-up amounts required by the terms of any Acquired Indebtedness;

(5) any dividends paid within 60 days after the date of declaration if at such date of declaration such dividend would have complied with this covenant or the redemption, repurchase or retirement of Indebtedness if, at the date of any redemption notice, such payment would have complied with the provisions of the Indenture as if it were and is deemed at such time to be a Restricted Payment at the time of such notice;

(6) the purchase, repurchase, redemption, defeasance or other acquisition, cancellation or retirement for value of Capital Stock of the Issuer, any Restricted Subsidiary or any Parent Entity and loans, advances, dividends or distributions by the Issuer to any Parent Entity or any entity formed for the purpose of investing in Capital Stock of the Issuer to permit any Parent Entity or such other entity to purchase, repurchase, redeem, defease or otherwise acquire, cancel or retire for value Capital Stock of the Issuer, any Restricted Subsidiary or any Parent Entity, or

payments to purchase, repurchase, redeem, defease or otherwise acquire, cancel or retire for value Capital Stock of the Issuer, any Restricted Subsidiary or any Parent Entity, in each case from Management Investors; *provided* that such payments, loans, advances, dividends or distributions do not exceed an amount (net of repayments of any such loans or advances) equal to (a) (x) the greater of (i) €35 million and (ii) 7.5% of Consolidated EBITDA in any calendar year (with unused amounts in any calendar year being carried forward to the next calendar year) or (y) following an Initial Public Offering, the greater of (i) €70 million and (ii) 15% of Consolidated EBITDA in any calendar year (with unused amounts in any calendar year being carried forward to the next calendar year), *plus* (b) the Net Cash Proceeds received by the Issuer or its Restricted Subsidiaries since the Issue Date (including through receipt of proceeds from the issuance or sale of its Capital Stock or Subordinated Shareholder Funding to a Parent Entity) from, or as a contribution to the equity (in each case under this clause (6), other than through the issuance of Disqualified Stock or Designated Preference Shares) of the Issuer from, the issuance or sale to Management Investors of Capital Stock (including any options, warrants or other rights in respect thereof), to the extent such Net Cash Proceeds have not otherwise been designated as Excluded Contributions, Excluded Amounts or Parent Debt Contributions and are not included in any calculation under clause (c)(ii) of the first paragraph describing this covenant;

(7) the declaration and payment of dividends to holders of any class or series of Disqualified Stock, or of any Preferred Stock of a Restricted Subsidiary, Incurred in accordance with the terms of the "—Limitation on Indebtedness" covenant above;

(8) purchases, repurchases, redemptions, defeasances or other acquisitions or retirements of Capital Stock deemed to occur upon the exercise of stock options, warrants or other rights in respect thereof if such Capital Stock represents a portion of the exercise price thereof;

(9) dividends, loans, advances or distributions to any Parent Entity or other payments by the Issuer or any Restricted Subsidiary to Affiliates in amounts not to exceed (without duplication) the following amounts (rounded up to the next higher hundred thousand euro):

   (a) any Parent Expenses or any Related Taxes; or

   (b) amounts constituting or to be used for purposes of making payments (i) of fees and expenses Incurred in connection with the Transactions or (ii) to the extent specified in clauses (2), (3), (5), (7), (11), (12), (13) and (16) of the second paragraph under "*—Limitation on Affiliate Transactions*";

(10) so long as no Default or Event of Default has occurred and is continuing (or would result therefrom), the declaration and payment by the Issuer of, or loans, advances, dividends or distributions on the common stock or common equity interests of the Issuer or any Parent Entity following a Public Offering of such common stock or common equity interests, in an amount not to exceed in any fiscal year the greater of (x) 6% of the Net Cash Proceeds received by the Issuer from such Public Offering or contributed to the equity (other than through the issuance of Disqualified Stock, Designated Preference Shares or through an Excluded Contribution, Excluded Amount or a Parent Debt Contribution) of the Issuer or contributed as Subordinated Shareholder Funding to the Issuer and (y) following the Initial Public Offering, an amount equal to the greater of (i) (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 shall be equal to or less than 3.9 to 1.0 and (ii) (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 shall be equal to or less than 4.4 to 1.0; *provided, further* that, if such Public Offering was of Capital Stock of a Parent Entity, the net proceeds of any such dividends or distributions are used to fund a corresponding dividend or other distribution in equal or greater amount on the Capital Stock of such Parent Entity;

(11) payments by the Issuer, or loans, advances, dividends or distributions to make payments, to holders of Capital Stock of the Issuer or any Parent Entity in lieu of the issuance of fractional shares of such Capital Stock; provided, however, that any such payment, loan, advance, dividend or distribution shall not be for the purpose of evading any limitation of this covenant or otherwise to facilitate any dividend or other return of capital to the holders of such Capital Stock (as determined in good faith by a member of senior management or the Board of Directors of the Issuer);

(12) Restricted Payments in an aggregate amount outstanding at any time not to exceed the aggregate cash amount of Excluded Contributions, or consisting of non-cash Excluded Contributions, or Investments in exchange for or using as consideration Investments previously made under this clause (12);

(13) payment of any Receivables Fees, sales contributions and other transfers of Receivables Assets and purchases of Receivables Assets pursuant to a Receivables Repurchase Obligation in each case in connection with a Qualified Receivables Financing or a Permitted Recourse Receivables Financing;

(14) (i) the declaration and payment of dividends to holders of any class or series of Designated Preference Shares of the Issuer issued after the Issue Date; and (ii) the declaration and payment of dividends to any Parent Entity or any Affiliate thereof, the proceeds of which will be used to fund the payment of dividends to holders of any class or series of Designated Preference Shares of such Parent Entity or Affiliate issued after the Issue Date; provided, however, that, in the case of clauses (i) and (ii), the amount of all dividends declared or paid pursuant to this clause (14) shall not exceed the Net Cash Proceeds received by the Issuer or the aggregate amount contributed in cash to the equity (other than through the issuance of Disqualified Stock, an Excluded Contribution or a Parent Debt Contribution or, in the case of Designated Preference Shares by a Parent Entity or an Affiliate, the issuance of Designated Preference Shares) of the Issuer or contributed as Subordinated Shareholder Funding to the Issuer, as applicable, from the issuance or sale of such Designated Preference Shares;

(15) dividends or other distributions of Capital Stock, Indebtedness or other securities of Unrestricted Subsidiaries;

(16) any Restricted Payment made in connection with the Transactions or used to fund amounts owed to Affiliates in connection with the Transactions (including dividends to any Parent Entity to permit payment by such Parent Entity of such amounts);

(17) (i) payment under an Issuer Proceeds Loan Incurred in compliance with the "*—Limitation on Indebtedness*" covenant, other than clause (12) of the second paragraph of such covenant, for the purpose of making corresponding interest payments on the applicable Indebtedness Incurred by a Parent Entity, and (ii) (A) payments of cash, dividends, distributions, capital reduction, repayment or repurchase of Subordinated Shareholder Funding, loans, advances or any other Restricted Payment by the Issuer or any of its Restricted Subsidiaries to a Parent Entity for the purposes of making corresponding interest payments on any Parent Debt (whether directly or indirectly through a Parent Entity) and (B) solely to effect the purchase, repurchase, redemption, defeasance or other acquisition or retirement for value of any Parent Debt permitted pursuant to clause (4) of this paragraph; *provided* that, (x) in each case, the Parent Entity applies such payments substantially concurrently with the receipt of such payments and (y) in the case of (ii), such payments to such Parent Entity may only be made to the extent that the net proceeds of the Parent Debt for which the corresponding payment is to be made have been contributed to the Issuer or any of its Restricted Subsidiaries as a Parent Debt Contribution; *provided, further,* that any payments on Parent Debt pursuant to subclause (ii) may only be made if, at the time such Parent Debt was Incurred by the Parent Entity, the Issuer could have Incurred, or provided a Guarantee for, Indebtedness pursuant to the "*—Limitation on Indebtedness*" covenant in an aggregate amount equal to the amount of Parent Debt on which interest payments are sought to be made pursuant to subclause (ii);

(18) payments or distributions to dissenting stockholders pursuant to applicable law (including in connection with, or as a result of, exercise of appraisal rights and the settlement of any claims or action (whether actual, contingent or potential)), pursuant to or in connection with a consolidation, merger or transfer of all or substantially all of the assets of the Issuer and its Restricted Subsidiaries, taken as a whole, that complies with the "*—Merger and consolidation*" covenant; and

(19) so long as no Default or Event of Default has occurred and is continuing (or would result therefrom), (i) Restricted Payments in an aggregate amount outstanding at any time not to exceed the greater of (x) €135 million and (y) 30% of Consolidated EBITDA and (ii) any other Restricted Payment if the Consolidated Net Leverage Ratio on a *pro forma* basis after giving effect to such Restricted Payment does not exceed 3.4 to 1.0.

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 of Permitted Payments described in clauses (1) through (19) above, or is permitted pursuant to the first paragraph of this covenant and/or one or more of the clauses contained in the definition of "Permitted Investments," 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 in each case as an Investment pursuant to one or more of the clauses contained in the definition of "Permitted Investments" and may aggregate capacity in multiple clauses of the definition of "Permitted Payments" above, the first paragraph of this covenant and/or in the definition of "Permitted Investments" in any manner that complies with this covenant.

The amount of all Restricted Payments (other than cash) shall be the fair market value on the date of such Restricted Payment of the asset(s) or securities proposed to be paid, transferred or issued by the Issuer or such Restricted Subsidiary, as the case may be, pursuant to such Restricted Payment. The fair market value of any cash Restricted Payment shall be its face amount, and the fair market value of any non-cash Restricted Payment shall be determined conclusively by a member of senior management or the Board of Directors of the Issuer acting in good faith; *provided* that any determination of fair market value of a non-cash Restricted Payment in excess of €17 million shall be made solely by the Board of Directors of the Issuer.

Limitation on Liens

The Issuer will not, and will not permit any Restricted Subsidiary to, directly or indirectly, create, Incur or suffer to exist any Lien upon any of its property or assets (including Capital Stock of a Restricted Subsidiary), whether owned on the Issue Date or acquired after that date, or any interest therein or any income or profits therefrom, which Lien is securing any Indebtedness (such Lien, the "**Initial Lien**"), except (a) in the case of any property or asset that does not constitute Collateral, (1) Permitted Liens or (2) Liens on property or assets that are not Permitted Liens if the Notes and the Indenture (or a Notes Guarantee in the case of Liens of a Guarantor) are directly secured equally and ratably with, or prior to, in the case of Liens with respect to Subordinated Indebtedness, or in the case of Liens securing Indebtedness Incurred pursuant to clauses (1) or (6) of the second paragraph of the "*—Limitation on Indebtedness*" covenant, *pari passu* with (except that such Indebtedness may receive priority in respect of distributions of proceeds of any enforcement of Collateral) the Indebtedness secured by such Initial Lien for so long as such Indebtedness is so secured, and (b) in the case of any property or asset that constitutes Collateral, Permitted Collateral Liens.

Any such Lien created in favor of the Notes will be automatically and unconditionally released and discharged upon (i) the release and discharge of the Initial Lien to which it relates, and (ii) otherwise as set forth under "*—Security—Release of Liens*."

Limitation on restrictions on distributions from Restricted Subsidiaries

The Issuer will not, and will not permit any Restricted Subsidiary to, create or otherwise cause or permit to exist or become effective any consensual encumbrance or consensual restriction on the ability of any Restricted Subsidiary to:

(A) pay dividends or make any other distributions in cash or otherwise on its Capital Stock to the Issuer or pay any Indebtedness or other obligations owed to the Issuer;

(B) make any loans or advances to the Issuer; or

(C) sell, lease or transfer any of its property or assets to the Issuer;

provided that (x) the priority of any Preferred Stock in receiving dividends or liquidating distributions prior to dividends or liquidating distributions being paid on common stock and (y) the subordination of (including the application of any standstill requirements to) loans or advances made to the Issuer or any Restricted Subsidiary to other Indebtedness Incurred by the Issuer or any Restricted Subsidiary shall not be deemed to constitute such an encumbrance or restriction.

The provisions of the preceding paragraph will not prohibit:

(1) any encumbrance or restriction pursuant to (a) any Credit Facility (including the Revolving Credit Facility); or (b) any other agreement or instrument (including the 2026 Indenture and the 2027 Indenture), in each case, in effect at or entered into on the Issue Date, and any amendments, restatements, modifications, renewals, supplements, refunding, replacements or refinancings of those agreements referred to in clauses (a) and (b); *provided* that such amendments, restatements, modifications, renewals, supplements, refunding, replacements or refinancings are not materially more restrictive, taken as a whole, with respect to such dividend and other payments restrictions than those contained in those agreements on the Issue Date (as determined in good faith by a member of senior management or the Board of Directors of the Issuer);

(2) any encumbrances or restrictions existing under or by reason of the Indenture, the Notes, the Notes Guarantees, the Intercreditor Agreement, any Additional Intercreditor Agreement and the Security Documents;

(3) any encumbrance or restriction pursuant to an agreement or instrument of a Person or relating to any Capital Stock or Indebtedness of a Person, entered into on or before the date on which such Person was acquired by or merged, consolidated or otherwise combined with or into the Issuer or any Restricted Subsidiary or was designated a Restricted Subsidiary, or on which such agreement or instrument is assumed by the Issuer or any Restricted Subsidiary in connection with an acquisition of assets (other than Capital Stock or Indebtedness Incurred as consideration in, or to provide all or any portion of the funds utilized to consummate, the transaction or series of related transactions pursuant to which such Person became a Restricted Subsidiary or was acquired by the Issuer or any Restricted Subsidiary or was merged, consolidated or otherwise combined with or into the Issuer or any Restricted Subsidiary entered into or in connection with such transaction) and outstanding on such date; *provided* that, for the purposes of this clause (3), if another Person is the Successor Company, any Subsidiary thereof or agreement or instrument of such Person or any such Subsidiary shall be deemed acquired or assumed by the Issuer or any Restricted Subsidiary when such Person becomes the Successor Company;

(4) any encumbrance or restriction pursuant to an agreement or instrument effecting a refinancing of Indebtedness Incurred pursuant to, or that otherwise refinances, an agreement or instrument referred to in clause (1), (2) or (3) of this paragraph or this clause (4) (an "**Initial Agreement**") or contained in any amendment, supplement or other modification to an agreement referred to in clause (1), (2) or (3) of this paragraph or this clause (4); *provided*, *however*, that the encumbrances and restrictions with respect to such Restricted Subsidiary contained in any such agreement or instrument (i) are no less favorable in any material respect to the Holders taken as a whole than the encumbrances and restrictions contained in the Initial Agreement or Initial Agreements to which such refinancing or amendment, supplement or other modification relates (as determined in good faith by a member of senior management or the Board of Directors of the Issuer) or (ii) are customary in comparable financings and where, in the case of this sub-clause (ii), the Issuer determines at the time of Incurrence of such Indebtedness that such encumbrances or restrictions would not adversely affect, in any material respect, the Issuer's ability to make principal or interest payments on the Notes (as determined in good faith by a member of senior management or the Board of Directors of the Issuer);

(5) any encumbrance or restriction:

(a) that restricts in a customary manner the subletting, assignment or transfer of any property or asset that is subject to a lease, license or similar contract, or the assignment or transfer of any lease, license or other contract;

(b) contained in mortgages, pledges or other security agreements permitted under the Indenture or securing Indebtedness of the Issuer or a Restricted Subsidiary permitted under the Indenture to the extent such encumbrances or restrictions restrict the transfer of the property or assets subject to such mortgages, pledges or other security agreements; or

(c) pursuant to customary provisions restricting dispositions of real property interests set forth in any reciprocal easement agreements of the Issuer or any Restricted Subsidiary;

(6) any encumbrance or restriction pursuant to Purchase Money Obligations and Capitalized Lease Obligations permitted under the Indenture, in each case, that impose encumbrances or restrictions on the property so acquired or any encumbrance or restriction pursuant to a joint venture agreement that imposes restrictions on the transfer of the assets of the joint venture;

(7) any encumbrance or restriction with respect to a Restricted Subsidiary (or any of its property or assets) imposed pursuant to an agreement entered into for the direct or indirect sale or disposition to a Person of all or substantially all the Capital Stock or assets of such Restricted Subsidiary (or the property or assets that are subject to such restriction) pending the closing of such sale or disposition;

(8) provisions in leases, licenses, joint venture agreements and other similar agreements and instruments;

(9) customary provisions limiting the disposition or distribution of assets or property in joint venture agreements, asset sale agreements, sale-leaseback agreements, stock sale agreements and other similar agreements in the ordinary course of business (including agreements entered into in connection with a Restricted Investment), which limitation is applicable only to the assets that are the subject of such agreements; provided that a member of senior management or the Board of Directors of the Issuer determines at the time of the Incurrence of such encumbrances that such encumbrances or restrictions will not adversely affect, in any material respect, the Issuer's ability to make principal or interest payments on the Notes as and when they become due;

(10) encumbrances or restrictions arising or existing by reason of applicable law or any applicable rule, regulation or order, or required by any regulatory authority;

(11) any encumbrance or restriction on cash or other deposits or net worth imposed by customers suppliers or landlords, or as required by insurance, surety or bonding companies or indemnities, in each case, under agreements or policies entered into in the ordinary course of business;

(12) any encumbrance or restriction pursuant to Currency Agreements, Interest Rate Agreements or Commodity Hedging Agreements;

(13) any encumbrance or restriction arising pursuant to an agreement or instrument (a) relating to any Indebtedness permitted to be Incurred subsequent to the Issue Date pursuant to the provisions of the "—Limitation on Indebtedness" covenant (other than any refinancing of Indebtedness which is subject to clause (4) above) (i) if the encumbrances and restrictions contained in any such agreement or instrument taken as a whole are not materially less favorable to the Holders of the Notes (in the good faith determination of a member of senior management or the Board of Directors of the Issuer) than the encumbrances and restrictions contained in the Revolving Credit Facility, the Indenture, the Security Documents and the Intercreditor Agreement, in each case, as in effect on the Issue Date or (ii) where the Issuer determines at the time of the Incurrence of such Indebtedness that such encumbrances or restrictions will not adversely affect, in any material respect, the Issuer's ability to make principal or interest payments on the Notes as and when they become due or (b) constituting an Additional Intercreditor Agreement;

(14) restrictions effected in connection with a Qualified Receivables Financing or a Permitted Recourse Receivables Financing that, in the good faith determination of a member of senior management or the Board of Directors of the Issuer, are necessary or advisable to effect such Qualified Receivables Financing or Permitted Recourse Receivables Financing;

(15) any encumbrance or restriction existing by reason of any lien permitted under "—Limitation on Liens"; or

(16) any agreement that extends, renews, refinances or replaces the agreements containing the encumbrances or restrictions in the foregoing clauses (1) through (15) or in this clause (16); provided that the terms and conditions of any such encumbrances or restrictions (a) are no more restrictive in any material respect than those under or pursuant to the agreement so extended, renewed, refinanced or replaced or (b) will not adversely affect, in any material respect, the Issuer's ability to make principal or interest payments on the Notes (in each case as determined in good faith by a member of senior management or the Board of Directors of the Issuer).

Limitation on sales of assets and subsidiary stock

The Issuer will not, and will not permit any of its Restricted Subsidiaries to, make any Asset Disposition unless:

(1) the Issuer or such Restricted Subsidiary, as the case may be, receives consideration (including by way of relief from, or by any other Person assuming responsibility for, any liabilities, contingent or otherwise) at least equal to the fair market value (such fair market value to be determined on the date of contractually agreeing to such Asset Disposition), as determined in good faith by a member of senior management or the Board of Directors of the Issuer, of the shares and/or assets subject to such Asset Disposition (including, and for the avoidance of doubt, if such Asset Disposition is a Permitted Asset Swap); and

(2) in any such Asset Disposition, or series of related Asset Dispositions (except to the extent the Asset Disposition is a Permitted Asset Swap), at least 75% of the consideration from such Asset Disposition (excluding any

consideration by way of relief from, or by any other Person assuming responsibility for, any liabilities, contingent or otherwise, other than Indebtedness) received by the Issuer or such Restricted Subsidiary, as the case may be, is in the form of cash, Cash Equivalents or Temporary Cash Investments.

After the receipt of Net Available Cash from an Asset Disposition, the Issuer (or the applicable Restricted Subsidiary, as the case may be) may apply an amount equal to such Net Available Cash (at the option of the Issuer or Restricted Subsidiary):

(a) within 365 days from the later of (A) the date of such Asset Disposition and (B) the receipt of such Net Available Cash: (i) to prepay, repay, purchase or redeem any Indebtedness Incurred under clause (1) of the second paragraph of the "*—Limitation on Indebtedness*" covenant or any Refinancing Indebtedness in respect thereof *provided*, *however*, that in connection with any prepayment, repayment or purchase of Indebtedness pursuant to this clause (a) (except in the case of any revolving Indebtedness, including but not limited, to the Revolving Credit Facility), the Issuer or such Restricted Subsidiary will be required to retire such Indebtedness or cause the related commitment to be permanently reduced; (ii) unless included in (a)(i), to prepay, repay, purchase or redeem *Pari Passu* Indebtedness that is secured in whole or in part by a Lien on the Collateral which Lien ranks *pari passu* with the Liens securing the Notes and the Notes Guarantees at a price of no more than 100% of the principal amount of such *Pari Passu* Indebtedness *plus* accrued and unpaid interest and any required additional tax gross-up amounts to the date of such prepayment, repayment, purchase or redemption; *provided* that, if such *Pari Passu* Indebtedness is Public Debt, the Issuer or such Restricted Subsidiary shall make an offer on a *pro rata* basis to all Holders of the Notes at a purchase price equal to 100% of the principal amount of the Notes, *plus* accrued and unpaid interest thereon and Additional Amounts, if any, to (but not including) the date of purchase; (iii) to prepay, repay, purchase or redeem any Indebtedness of a Restricted Subsidiary that is not a Guarantor or any Indebtedness that is secured on assets which do not constitute Collateral (in each case, other than Subordinated Indebtedness of the Issuer or a Guarantor or Indebtedness owed to the Issuer or any Restricted Subsidiary); or (iv) to purchase any series of the Notes pursuant to (x) an offer to all Holders of Notes of such series at a purchase price in cash equal to at least 100% of the principal amount of the Notes, *plus* accrued and unpaid interest to, but not including, the date of purchase (subject to the right of Holders of record on the relevant record date to receive interest due on the relevant interest payment date) or (y) the optional redemption provisions of the Indenture;

(b) to the extent the Issuer or such Restricted Subsidiary elects, to invest in or purchase or commit to invest in or purchase Additional Assets (including by means of an investment in Additional Assets by a Restricted Subsidiary with Net Available Cash received by the Issuer or any Restricted Subsidiary) within 365 days from the later of (i) the date of such Asset Disposition and (ii) the receipt of such Net Available Cash; *provided*, *however*, that any such reinvestment in Additional Assets made pursuant to a definitive binding agreement or pursuant to a commitment approved by the Board of Directors of the Issuer that is executed or approved within such time will satisfy this requirement, so long as such investment is consummated within 180 days of such 365th day;

(c) to make a capital expenditure within 365 days from the later of (A) the date of such Asset Disposition and (B) the receipt of such Net Available Cash; *provided*, *however*, that any such capital expenditure made pursuant to a definitive binding agreement or a commitment approved by the Board of Directors of the Issuer that is executed or approved within such time will satisfy this requirement, so long as such investment is consummated within 180 days of such 365th day; or

(d) any combination of the foregoing;

provided that, pending the final application of any such Net Available Cash in accordance with clause (a), (b), (c) or (d) above, the Issuer and its Restricted Subsidiaries may temporarily reduce Indebtedness or otherwise invest such Net Available Cash in any manner not prohibited by the Indenture.

If an amount less than the Net Available Cash from Asset Dispositions is applied or invested or committed to be applied or invested as provided in the preceding paragraph, an amount equal to the difference will be deemed to constitute "**Excess Proceeds**." On the 366th day (or the 546th day, in the case of any Net Available Cash committed to be used pursuant to pursuant to a definitive binding agreement or commitment approved by the Board of Directors of the Issuer pursuant to clauses (b) or (c) of the second paragraph of this covenant), after the later of (A) the date of such Asset

Disposition and (B) the receipt of such Net Available Cash, if the aggregate amount of Excess Proceeds exceeds €57 million, the Issuer will be required within ten Business Days thereof to make an offer ("**Asset Disposition Offer**") to all Holders of Notes and, to the extent the Issuer elects, to all holders of other outstanding *Pari Passu* Indebtedness, to purchase the maximum principal amount of Notes and any such *Pari Passu* Indebtedness to which the Asset Disposition Offer applies that may be purchased out of the Excess Proceeds, at an offer price in respect of the Notes in an amount equal to (and, in the case of any *Pari Passu* Indebtedness, an offer price of no more than) 100% of the principal amount of the Notes and 100% of the principal amount of *Pari Passu* Indebtedness, in each case, *plus* accrued and unpaid interest, if any, to, but not including, the date of purchase, in accordance with the procedures set forth in the Indenture or the agreements governing the *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.

The Issuer or a Restricted Subsidiary, as the case may be, may make an Asset Disposition Offer prior to the expiration of the 365-or 545-day period mentioned above.

To the extent that the aggregate amount of Notes and *Pari Passu* Indebtedness so validly tendered and not properly withdrawn pursuant to an Asset Disposition Offer is less than the Excess Proceeds, the Issuer may use any remaining Excess Proceeds for general corporate purposes, subject to other covenants contained in the Indenture. If the aggregate principal amount of the Notes surrendered in any Asset Disposition Offer by Holders and other *Pari Passu* Indebtedness surrendered by holders or lenders, collectively, exceeds the amount of Excess Proceeds, the Excess Proceeds shall be allocated among the Notes and *Pari Passu* Indebtedness to be purchased on a *pro rata* basis on the basis of the aggregate principal amount of tendered Notes and *Pari Passu* Indebtedness, or by such other method as (i) the Trustee and (ii) the trustee, agent or similar representative of such *Pari Passu* Indebtedness, after consultation with the Issuer, deem fair and appropriate (and in such manner as complies with applicable legal, depositary and exchange requirements). For the purposes of calculating the principal amount of any such Indebtedness not denominated in euro, such Indebtedness shall be calculated by converting any such principal amounts into their Euro Equivalent determined as of a date selected by the Issuer that is during the Asset Disposition Offer (as defined below). Upon completion of any Asset Disposition Offer, the amount of Excess Proceeds shall be reset at zero. The Trustee shall not have any liability in connection with any method elected under this paragraph.

To the extent that any portion of Net Available Cash payable in respect of the Notes is denominated in a currency other than the currency in which the relevant Notes are denominated, the amount thereof payable in respect of such Notes shall not exceed the net amount of funds in the currency in which such Notes are denominated that is actually received by the Issuer upon converting such portion of the Net Available Cash into such currency.

No later than five (5) Business Days after the termination of the Asset Disposition Offer (the "**Asset Disposition Purchase Date**"), the Issuer will purchase the principal amount of Notes and, to the extent it elects, *Pari Passu* Indebtedness required to be purchased by it pursuant to this covenant (the "**Asset Disposition Offer Amount**") or, if less than the Asset Disposition Offer Amount has been so validly tendered, all Notes and *Pari Passu* Indebtedness validly tendered in response to the Asset Disposition Offer.

On or before the Asset Disposition Purchase Date, the Issuer will, to the extent lawful, accept for payment, on a *pro rata* basis to the extent necessary, the Asset Disposition Offer Amount of Notes and *Pari Passu* Indebtedness or portions of Notes and *Pari Passu* Indebtedness so validly tendered and not properly withdrawn pursuant to the Asset Disposition Offer, or if less than the Asset Disposition Offer Amount has been validly tendered and not properly withdrawn, all Notes and *Pari Passu* Indebtedness so validly tendered and not properly withdrawn and, in the case of the Notes, in minimum denominations of €100,000 and in integral multiples of €1,000 in excess thereof. The Issuer will deliver to the Trustee an Officer's Certificate stating that such Notes or portions thereof were accepted for payment by the Issuer in accordance with the terms of this covenant. The Issuer or a Paying Agent, as the case may be, will promptly (but in any case not later than five Business Days after termination of the Asset Disposition Offer) mail or deliver to each tendering Holder of Notes an amount equal to the purchase price of the Notes so validly tendered and not properly withdrawn by such Holder, and accepted by the Issuer for purchase, and the Issuer will promptly issue a new Note (or amend the applicable Global Note), and the Trustee, upon delivery of an Officer's Certificate from the Issuer, will authenticate and mail or deliver (or cause to be transferred by book entry) such new Note to such Holder, in a principal amount equal to any unpurchased portion of the Note surrendered; *provided* that each such new Note will be in a principal amount with a minimum denomination of €100,000 and in integral multiples of €1,000 in excess thereof. Any Note not so accepted will be promptly mailed or delivered (or transferred by book entry) by the Issuer to the Holder thereof.

For the purposes of clause (2) of the first paragraph of this covenant, the following will be deemed to be cash:

(1) the assumption by the transferee of Indebtedness of the Issuer or other liabilities (other than contingent liabilities) recorded on the balance sheet of the Issuer (other than Subordinated Indebtedness of the Issuer) or Indebtedness

of a Restricted Subsidiary or other liabilities (other than contingent liabilities) recorded on the balance sheet of such Restricted Subsidiary and the release of the Issuer or such Restricted Subsidiary from all liability on such Indebtedness in connection with such Asset Disposition;

(2) securities, notes or other obligations received by the Issuer or any Restricted Subsidiary from the transferee that are converted by the Issuer or such Restricted Subsidiary into cash or Cash Equivalents within 180 days following the closing of such Asset Disposition;

(3) Indebtedness of any Restricted Subsidiary that is no longer a Restricted Subsidiary as a result of such Asset Disposition, to the extent that the Issuer and each Restricted Subsidiary are released from any Guarantee of payment of such Indebtedness in connection with such Asset Disposition;

(4) assets or Capital Stock of the kind referred to under clauses (1), (2) or (3) of the definition of "Additional Assets";

(5) consideration consisting of Indebtedness of the Issuer or any Guarantor (other than Subordinated Indebtedness) received after the Issue Date from Persons who are not the Issuer or any Restricted Subsidiary; and

(6) any Designated Non-Cash Consideration received by the Issuer or any Restricted Subsidiary in such Asset Dispositions having an aggregate fair market value, as determined in good faith by a member of senior management or the Board of Directors of the Issuer, taken together with all other Designated Non-Cash Consideration received pursuant to this covenant that is at that time outstanding, not to exceed the greater of (x) €55 million and (y) 12% of Consolidated EBITDA (with the fair market value of each item of Designated Non-Cash Consideration being measured at the time received and without giving effect to subsequent changes in value).

The Issuer will comply, to the extent applicable, with the requirements of Section 14(e) of the Exchange Act and any other securities laws or regulations in connection with the repurchase of Notes pursuant to the Indenture. To the extent that the provisions of any securities laws or regulations conflict with provisions of this covenant, the Issuer will comply with the applicable securities laws and regulations and will not be deemed to have breached its obligations under the Indenture by virtue of any conflict. The Issuer may rely on any no-action letters issued by the SEC indicating that the staff of the SEC will not recommend enforcement action in the event a tender offer satisfies certain conditions.

Limitation on Affiliate Transactions

The Issuer will not, and will not permit any of its Restricted Subsidiaries to, directly or indirectly, enter into or conduct any transaction or series of related transactions (including the purchase, sale, lease or exchange of any property or the rendering of any service) with any Affiliate of the Issuer (any such transaction or series of related transactions being "**Affiliate Transactions**") involving aggregate value in excess of €17 million, unless:

(1) the terms of such Affiliate Transaction taken as a whole are not materially less favorable to the Issuer or such Restricted Subsidiary, as the case may be, than those that could be obtained in a comparable transaction at the time of such transaction or the execution of the agreement providing for such transaction in arm's length dealings with a Person who is not such an Affiliate; and

(2) in the event such Affiliate Transaction involves an aggregate value in excess of €34 million, the terms of such transaction or series of related transactions have been approved by a resolution of the majority of the members of the Board of Directors of the Issuer resolving that such transaction complies with clause (1) above.

The provisions of the preceding paragraph will not apply to:

(1) any Restricted Payment permitted to be made pursuant to the "*—Limitation on Restricted Payments*" covenant, any Permitted Payments or any Permitted Investment (other than Permitted Investments as defined in paragraphs (1)(b) and (2) of the definition thereof);

(2) any issuance, transfer or sale of Capital Stock, options, other equity related interests or other securities, or other payments, awards or grants in cash, securities or otherwise pursuant to, or the funding of, or entering into, or maintenance of, any employment, consulting, collective bargaining or benefit plan, program, agreement or arrangement, related trust or other similar agreement and other compensation arrangements, options, warrants or

other rights to purchase Capital Stock of the Issuer, any Restricted Subsidiary or any Parent Entity, restricted stock plans, long-term incentive plans, stock appreciation rights plans, participation plans or similar employee benefits or consultants' plans (including valuation, health, insurance, deferred compensation, severance, retirement, savings or similar plans, programs or arrangements) or indemnities provided on behalf of officers, employees, directors or consultants approved by the Board of Directors of the Issuer, in each case in the ordinary course of business;

(3) any Management Advances and any waiver or transaction with respect thereto;

(4) any transaction between or among the Issuer and any Restricted Subsidiary (or entity that becomes a Restricted Subsidiary as a result of such transaction), or between or among Restricted Subsidiaries or any Receivables Subsidiary;

(5) the payment of reasonable fees and reimbursement of expenses to, and customary indemnities and employee benefit and pension expenses provided on behalf of, directors, officers, consultants or employees of the Issuer, any Restricted Subsidiary or any Parent Entity (whether directly or indirectly and including through any Person owned or controlled by any of such directors, officers or employees);

(6) the entry into and performance of obligations of the Issuer or any of its Restricted Subsidiaries under the terms of any transaction arising out of, and any payments pursuant to or for purposes of funding, any agreement or instrument in effect as of or on the Issue Date, as these agreements and instruments may be amended, modified, supplemented, extended, renewed or refinanced from time to time in accordance with the other terms of this covenant or to the extent not more disadvantageous to the Holders in any material respect in the good faith judgment of a member of senior management or the Board of Directors of the Issuer and the entry into and performance of any registration rights or other listing agreement in connection with any Public Offering;

(7) execution, delivery and performance of any Tax Sharing Agreement or any arrangement pursuant to which the Issuer or any Restricted Subsidiary is required or permitted to file a consolidated tax return, or the formation and maintenance of any consolidated group for tax, accounting or cash pooling or management purposes in the ordinary course of business;

(8) transactions with customers, clients, suppliers or purchasers, sellers of goods or services, in each case in the ordinary course of business (including, without limitation, pursuant to joint venture arrangements), which are fair to the Issuer or the relevant Restricted Subsidiary in the reasonable determination of an Officer or the Board of Directors of the Issuer or the relevant Restricted Subsidiary, or are on terms no less favorable than those that could reasonably have been obtained at such time from an unaffiliated party;

(9) any transaction in the ordinary course of business between or among the Issuer or any Restricted Subsidiary and any Affiliate of the Issuer or an Associate or similar entity that would constitute an Affiliate Transaction solely because the Issuer or a Restricted Subsidiary or any Affiliate of the Issuer or a Restricted Subsidiary or any Affiliate of any Permitted Holder owns an equity interest in or otherwise controls such Affiliate, Associate or similar entity;

(10) (a) issuances or sales of Capital Stock (other than Disqualified Stock or Designated Preference Shares) of the Issuer or options, warrants or other rights to acquire such Capital Stock or Subordinated Shareholder Funding; *provided* that the interest rate and other financial terms of such Subordinated Shareholder Funding are approved by a majority of the members of the Board of Directors of the Issuer in their reasonable determination and (b) any amendment, waiver or other transaction with respect to any Subordinated Shareholder Funding in compliance with the other provisions of the Indenture, the Intercreditor Agreement and any Additional Intercreditor Agreement, as applicable;

(11) without duplication in respect of payments made pursuant to clause (12) hereof, (a) payments by the Issuer or any Restricted Subsidiary to any Permitted Holder (whether directly or indirectly, including through any Parent Entity) of annual management, consulting, monitoring or advisory fees and related expenses in an aggregate amount, not to exceed €14 million per fiscal year and (b) customary payments by the Issuer or any Restricted Subsidiary to any Permitted Holder (whether directly or indirectly, including through any Parent Entity) for financial advisory, financing, underwriting or placement services or in respect of other investment banking

activities, including in connection with acquisitions, divestitures or joint ventures, which payments in respect of this clause (b) are approved in good faith by a majority of disinterested members of the Board of Directors of the Issuer;

(12) payment to any Permitted Holder of all reasonable out of pocket expenses Incurred by such Permitted Holder in connection with its direct or indirect investment in the Issuer and its Subsidiaries;

(13) any transaction effected as part of a Qualified Receivables Financing or a Permitted Recourse Receivables Financing;

(14) any transactions for which the Issuer or a Restricted Subsidiary delivers to the Trustee a letter from an Independent Financial Advisor stating that such transaction is (i) fair to the Issuer or such Restricted Subsidiary from a financial point of view or (ii) on terms not less favorable than might have been obtained in a comparable transaction at such time on an arm's length basis from a Person who is not an Affiliate;

(15) the Transactions; and

(16) any Permitted Reorganization.

Maintenance of listing

The Issuer will use its commercially reasonable efforts to list, and maintain the listing of, the Notes on the Securities Official List of the Luxembourg Stock Exchange for so long as such Notes are outstanding; *provided* that if at any time the Issuer determines that it will not so list or maintain such listing, it will use its commercially reasonable efforts to obtain (prior to the delisting of the Notes, if applicable) and maintain a listing on another recognized stock exchange.

Reports

For so long as any Notes are outstanding, the Issuer will provide to the Trustee the following reports:

(1) within 120 days after the end of each fiscal year of the Issuer beginning with the fiscal year ended December 31, 2023, annual reports containing, to the extent applicable, the following information: (a) audited consolidated balance sheets of the Issuer as of the end of the two most recent fiscal years and audited consolidated income statements and statements of cash flow of the Issuer for the two most recent fiscal years, including appropriate footnotes to such financial statements and the report of the independent auditors on the financial statements; (b) unaudited *pro forma* income statement information and balance sheet information of the Issuer, together with explanatory footnotes, for any material acquisitions, dispositions or recapitalizations that have occurred since the beginning of the most recently completed fiscal year as to which such annual report relates (unless such *pro forma* information has been provided in a previous report pursuant to clause (2) or (3) below); *provided* that such *pro forma* financial information will be provided only to the extent available without unreasonable expense, in which case the Issuer will provide, in the case of a material acquisition, acquired company financial information; (c) an operating and financial review of the audited financial statements, including a discussion of the results of operations, financial condition, and liquidity and capital resources of the Issuer, and a discussion of material commitments and contingencies and critical accounting policies; (d) description of the business, management and shareholders of the Issuer, all material affiliate transactions and a description of all material debt instruments; and (e) a description of material risk factors and material recent developments;

(2) commencing with the fiscal quarter ending March 31, 2024, 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, quarterly reports of the Issuer containing the following information: (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 year-to-date period ending on the unaudited condensed balance sheet date, and the comparable prior year periods, together with condensed footnote disclosure; (b) unaudited pro forma income statement information and balance sheet information, together with explanatory footnotes, for any material acquisitions, dispositions or recapitalizations that have occurred since the beginning of the relevant fiscal quarter; provided that such pro forma financial information will be provided only to the extent available without unreasonable expense, in which case the Issuer will provide, in the case of a material acquisition, acquired company financial information; (c) an operating and financial review of the unaudited financial statements, including a

discussion of the results of operations, financial condition, and material changes in liquidity and capital resources, and a discussion of material changes not in the ordinary course of business in commitments and contingencies since the most recent report; and (d) material recent developments and any material changes to the risk factors disclosed in the most recent annual report; and

(3) promptly after the occurrence of any material acquisition, disposition or restructuring, merger or similar transaction, or any change in the senior management of the Issuer or change in auditors of the Issuer, or any other material event that the Issuer announces publicly, a report containing a description of such event.

All financial statement information shall be prepared in accordance with IFRS as in effect on the date of such report or financial statement (or otherwise on the basis of IFRS as then in effect) and on a consistent basis for the periods presented; *provided*, *however*, that the reports set forth in clauses (1), (2) and (3) above may in the event of a change in IFRS, present earlier periods on a basis that applied to such periods. In addition, the reports set forth above will not be required to contain any reconciliation to U.S. generally accepted accounting principles. Except as provided for above, no report need include separate financial statements for the Issuer or Subsidiaries of the Issuer or any disclosure with respect to the results of operations or any other financial or statistical disclosure not of a type included in these listing particulars. In addition, no financial information required pursuant to clause (1) above need be audited if not presented on an audited basis by the Issuer in its financial statements included in these listing particulars.

At any time that any of the Issuer's Subsidiaries are Unrestricted Subsidiaries and any such Unrestricted Subsidiary or group of Unrestricted Subsidiaries, if taken together as one Subsidiary, constitutes a Significant Subsidiary of the Issuer, then the annual and quarterly financial information required by the first two clauses of this covenant shall include either (i) a reasonably detailed presentation, either on the face of the financial statements or in the footnotes thereto, of the financial condition and results of operations of the Group separate from the financial condition and results of operations of the Unrestricted Subsidiaries of the Issuer or (ii) standalone audited or unaudited financial statements, as the case may be, of such Unrestricted Subsidiary or Unrestricted Subsidiaries (as a group or otherwise) together with an unaudited reconciliation to the financial information of the Issuer and its Subsidiaries, which reconciliation shall include the following items: revenue, EBITDA, net income, cash, total assets, total debt, shareholders equity, capital expenditures and interest expense.

Notwithstanding the foregoing, the Issuer may satisfy its obligations under clauses (1) and (2) of the first paragraph of this covenant by delivering the corresponding consolidated annual and quarterly reports of any Parent Entity or any new holding company created following a Permitted Reorganization.

Substantially concurrently with the issuance to the Trustee of the reports specified in (1), (2) and (3) above, the Issuer shall also (a) use its commercially reasonable efforts (i) to post copies of such reports on such website as may be then maintained by the Issuer and its Subsidiaries or (ii) otherwise to provide substantially comparable public availability of such reports (as determined in good faith by a member of senior management or the Board of Directors of the Issuer) or (b) to the extent a member of senior management or the Board of Directors of the Issuer determine in good faith that the Issuer cannot make such reports available in the manner described in the preceding clause (a) owing to applicable law or after the use of its commercially reasonable efforts, furnish such reports to the Holders and, upon their request, prospective purchasers of the Notes.

In the event that (i) the Issuer becomes subject to the reporting requirements of Section 13(a) or 15(d) of the Exchange Act, or elects to comply with such provisions, for so long as it continues to file the reports required by Section 13 (a) with the SEC or (ii) the Issuer elects to provide to the Trustee reports which, if filed with the SEC, would satisfy (in the good faith judgment of a member of senior management or the Board of Directors of the Issuer) the reporting requirements of Section 13(a) or 15(d) of the Exchange Act (other than the provision of IFRS information, certifications, exhibits or information as to internal controls and procedures), for so long as it elects, the Issuer will make available to the Trustee such annual reports, information, documents and other reports that the Issuer is, or would be, required to file with the SEC pursuant to such Section 13(a) or 15(d). Upon complying with the foregoing requirement, the Issuer will be deemed to have complied with the provisions contained in the preceding five paragraphs.

In addition, so long as the Notes remain outstanding and during any period during which the Issuer is not subject to Section 13 or 15(d) of the Exchange Act nor exempt therefrom pursuant to Rule 12g3-2(b), the Issuer shall furnish to the Holders and, upon their request, prospective purchasers of the Notes, the information required to be delivered pursuant to Rule 144A(d)(4) under the Securities Act.

In the event that, and for so long as, the equity securities of the Issuer or any Parent Entity are listed on the regulated market of Euronext Paris (or one of the equivalent regulated markets in the EU or the UK) and the Issuer or such Parent Entity is subject to the Admission and Disclosure Standards applicable to issuers of equity securities admitted to trading

on the regulated market of Euronext Paris (or the equivalent standards applicable to issuers of equity securities admitted to trading on one or more of the equivalent regulated markets in the EU or the UK), for so long as it elects, the Issuer will make available to the Trustee such annual reports, information, documents and other reports that the Issuer or such Parent Entity 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 regulated markets in the EU or the UK, as applicable). Upon complying with the foregoing requirements, and provided, that such requirements require the Issuer or any Parent Entity to prepare and file annual reports, information, documents and other reports with the regulated market of Euronext Paris, or one or more of the equivalent regulated markets in the EU or the UK, as applicable, and provided that the Issuer or such Parent Entity additionally provides the reports set forth in paragraph (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.

Furthermore, within 20 Business Days subsequent to the date of the publication of the reports described in (1) and (2) above, the Issuer shall use its commercially reasonable efforts to 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 the Issuer shall use its commercially reasonable efforts to publish such notice at least one Business Day in advance of such conference call.

Delivery of such reports, information and documents to the Trustee shall be for informational purposes only as regards the Trustee and the Trustee's receipt of such reports, information and documents shall not constitute constructive notice or actual knowledge of any information contained therein, including the Issuer's compliance with any of its covenants hereunder (as to which the Trustee is entitled to rely exclusively on an Officer's Certificate).

All reports made pursuant to this covenant shall be made in, or translated to, the English language.

Merger and consolidation

The Issuer

The Issuer will not consolidate with or merge with or into, or assign, convey, transfer, lease or otherwise dispose all or substantially all its assets as an entirety or substantially as an entirety, in one transaction or a series of related transactions to, any Person, unless:

(1) the resulting, surviving or transferee Person (the "**Successor Company**") (if not the Issuer) will be a Person organized and existing under the laws of any member state of the European Union, United Kingdom, Norway, Switzerland, Canada or any province of Canada, or the United States of America, any State of the United States or the District of Columbia and the Successor Company (if not the Issuer) will expressly assume, (a) by supplemental indenture, executed and delivered to the Trustee, in form reasonably satisfactory to the Trustee, all the obligations of the Issuer under the Notes and the Indenture and (b) all obligations of the Issuer under the Intercreditor Agreement, any Additional Intercreditor Agreement and the Security Documents, as applicable;

(2) immediately after giving effect to such transaction (and treating any Indebtedness that becomes an obligation of the Successor Company or any Subsidiary of the Successor Company as a result of such transaction as having been Incurred by the Successor Company or such Subsidiary at the time of such transaction), no Default or Event of Default shall have occurred and be continuing;

(3) only in the case of a transaction involving the Issuer, immediately after giving effect to such transaction, either (a) the Successor Company would be able to Incur at least an additional €1.00 of Indebtedness pursuant to clause (i) of the first paragraph of the "*—Limitation on Indebtedness*" covenant or (b) the Fixed Charge Coverage Ratio would not be less than it was immediately prior to giving effect to such transaction; and

(4) the Issuer shall have delivered to the Trustee an Officer's Certificate and an Opinion of Counsel, each to the effect that such consolidation, merger or transfer and such supplemental indenture (if any) comply with the Indenture and that all conditions precedent in the Indenture relating to such consolidation, merger or transfer have been satisfied and an Opinion of Counsel to the effect that such supplemental indenture (if any) has been duly authorized, executed and delivered and is a legal, valid and binding agreement enforceable against the Successor Company (in each case, in form and substance reasonably satisfactory to the Trustee); *provided* that in giving an Opinion of Counsel, counsel may rely on an Officer's Certificate as to any matters of fact.

Any Indebtedness that becomes an obligation of the Issuer or any Restricted Subsidiary (or that is deemed to be Incurred

by any Restricted Subsidiary that becomes a Restricted Subsidiary) as a result of any such transaction undertaken in compliance with this covenant, and any Refinancing Indebtedness with respect thereto, shall be deemed to have been Incurred in compliance with the "*—Limitation on Indebtedness*" covenant.

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 held 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. The Successor Company 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.

Notwithstanding the preceding clauses (2) and (3) (which do not apply to transactions referred to in this sentence) and, other than with respect to the second preceding paragraph, notwithstanding clause (4) of the first paragraph of this covenant (which does not apply to transactions referred to in this sentence), (a) any Restricted Subsidiary may consolidate or otherwise combine with, merge into or transfer all or part of its properties and assets to the Issuer, (b) any Restricted Subsidiary may consolidate or otherwise combine with, merge into or transfer all or part of its properties and assets to any other Restricted Subsidiary that is a Guarantor and (c) any Restricted Subsidiary that is not a Guarantor may consolidate or otherwise combine with, merge into or transfer all or part of its properties and assets to any other Restricted Subsidiary that is not a Guarantor. Notwithstanding the preceding clause (3) (which does not apply to the transactions referred to in this sentence), the Issuer may consolidate or otherwise combine with or merge into an Affiliate incorporated or organized for the purpose of changing the legal domicile of the Issuer reincorporating the Issuer in another jurisdiction, or changing the legal form of the Issuer.

There is no precise established definition of the phrase "substantially all" under applicable law. Accordingly, in certain circumstances there may be a degree of uncertainty as to whether a particular transaction would involve "all or substantially all" of the property or assets of a Person.

The foregoing provisions (other than the requirements of clause (2) of the first paragraph of this "*—Merger and consolidation*" covenant) shall not apply to (i) any transactions which constitute an Asset Disposition of the Issuer if it has complied with the "*—Limitation on sales of assets and subsidiary stock*" covenant or (ii) the creation of a new subsidiary as a Restricted Subsidiary.

The Guarantors

No Guarantor (other than a Guarantor whose Notes Guarantee is to be released in accordance with the terms of the Indenture or the Intercreditor Agreement) may:

(1) consolidate with or merge with or into any Person (whether or not such Guarantor is the surviving corporation),

(2) sell, assign, convey, transfer, lease or otherwise dispose of, all or substantially all its assets as an entirety or substantially as an entirety, in one transaction or a series of related transactions, to any Person, or

(3) permit any Person to merge with or into it unless

(A) the other Person is the Issuer or any Restricted Subsidiary that is a Guarantor or becomes a Guarantor; or

(B) (1) either (x) a Guarantor is the continuing Person or (y) the resulting, surviving or transferee Person expressly assumes all of the obligations of the Guarantor under its Notes Guarantee and the Indenture (pursuant to a supplemental indenture executed and delivered in a form reasonably satisfactory to the Trustee) and all obligations of the Guarantor under the Intercreditor Agreement, any Additional Intercreditor Agreement and the Security Documents to which it is a party; and (2) immediately after giving effect to the transaction, no Default or Event of Default shall have occurred and is continuing; or

(C) the transaction constitutes a sale or other disposition (including by way of consolidation or merger) of a Guarantor or the sale or disposition of all or substantially all the assets of a Guarantor (in each case other than to the Issuer or a Restricted Subsidiary) otherwise permitted by the Indenture and the proceeds therefrom are applied as required by the Indenture.

Notwithstanding the preceding clause (B)(2) (which does not apply to transactions referred to in this sentence), (a) any

Restricted Subsidiary may consolidate or otherwise combine with, merge into or transfer all or part of its properties and assets to a Guarantor or the Issuer and (b) any Guarantor may consolidate or otherwise combine with, merge into or transfer all or part of its properties and assets to any other Guarantor or the Issuer.

Notwithstanding anything to the contrary contained herein, this "*—Merger and consolidation*" covenant will not apply to any transaction or arrangement that is a Permitted Reorganization.

There is no precise established definition of the phrase "substantially all" under applicable law. Accordingly, in certain circumstances there may be a degree of uncertainty as to whether a particular transaction would involve "all or substantially all" of the property or assets of a Person.

Suspension of covenants on achievement of investment grade status

If on any date following the Issue Date, the Notes have achieved Investment Grade Status and no Default or Event of Default has occurred and is continuing (a "**Suspension Event**"), then, the Issuer shall notify the Trustee in writing of these events and beginning on that day and continuing until such time, if any, at which the Notes cease to have Investment Grade Status (the "**Reversion Date**"), the provisions of the Indenture summarized under the following captions will not apply to the Notes: "*—Limitation on Restricted Payments*," "*—Limitation on Indebtedness*," "*—Limitation on restrictions on distributions from Restricted Subsidiaries*," "*—Limitation on Affiliate Transactions*," "*—Limitation on sales of assets and subsidiary stock*," "*—Additional Notes Guarantees*," "*—Impairment of security interest*" and the provisions of clause (3) of the first paragraph of the "*—Merger and consolidation*" covenant and, in each case, any related default provision of the Indenture will cease to be effective and will not be applicable to the Issuer and its Restricted Subsidiaries. Upon the occurrence of a Suspension Event, the amount of Excess Proceeds shall be reset to zero.

Such covenants and any related default provisions will again apply according to their terms from the first day on which a Suspension Event ceases to be in effect. Such covenants will not, however, be of any effect with regard to actions of the Issuer or any of its Restricted Subsidiaries properly taken during the continuance of the Suspension Event, and (i) the "*—Limitation on Restricted Payments*" covenant will be interpreted as if it has been in effect since the date of the Indenture other than during the period beginning with the Suspension Event and ending on the Reversion Date, (ii) any transactions prohibited by the "*—Limitation on Affiliate Transactions*" covenant entered into after such reinstatement pursuant to an agreement entered into during the continuance of the Suspension Event shall be deemed to be permitted pursuant to clause (6) of the second paragraph of the "*—Limitation on Affiliate Transactions*" covenant, (iii) any encumbrance or restriction on the ability of the Issuer or any Restricted Subsidiary to take any action described in clauses (A), (B) and (C) of the first paragraph of the "*—Limitation on restrictions on distributions from Restricted Subsidiaries*" covenant that becomes effective during any Suspension Period shall be deemed to be permitted pursuant to clause (1) or (12) of the second paragraph of the "*—Limitation on restrictions on distributions from Restricted Subsidiaries*" covenant and (iv) all Indebtedness Incurred during the continuance of the Suspension Event will be classified, at the Issuer's option, as having been Incurred pursuant to clause (i) of the first paragraph of the "*—Limitation on Indebtedness*" covenant or one of the clauses set forth in the second paragraph of such covenant (to the extent such Indebtedness would be permitted to be Incurred thereunder as of the Reversion Date and after giving effect to the Indebtedness Incurred prior to the Suspension Event and outstanding on the Reversion Date). To the extent such Indebtedness would not be so permitted to be incurred under the first two paragraphs of the "*—Limitation on Indebtedness*" covenant, such Indebtedness will be deemed to have been outstanding on the Issue Date, so that it is classified as permitted under clause (4)(b) of the second paragraph of the "*—Limitation on Indebtedness*" covenant. The Trustee shall have no duty to monitor the ratings of the Notes, shall not be deemed to have any knowledge of the ratings of the Notes, and shall not be obliged to notify holders of a Suspension Event or Reversion Date.

Impairment of security interest

The Issuer shall not, and shall not permit any Restricted Subsidiary to, take or omit to take any action that would have the result of materially impairing the Security Interests with respect to the Collateral (it being understood that the Incurrence of Liens on the Collateral permitted by the definition of "Permitted Collateral Liens" and the implementation of any Permitted Reorganization shall under no circumstances be deemed to materially impair the Security Interests with respect to the Collateral); and the Issuer shall not, and shall not permit any Restricted Subsidiary to, grant to any Person other than the Security Agent, for the benefit of the Trustee and the Holders and/or the other beneficiaries described in the Security Documents and the Intercreditor Agreement or any Additional Intercreditor Agreement, any Lien in any of the Collateral; *provided* that (a) the Issuer and the Issuer's Restricted Subsidiaries may Incur Permitted Collateral Liens or implement any Permitted Reorganization and (b) the Security Interest in the Collateral may be discharged, amended, extended, renewed, restated, supplemented, replaced or released in accordance with the Indenture, the applicable Security Documents and the Intercreditor Agreement or any Additional Intercreditor Agreement; *provided*, *however*,

that, subject to the foregoing proviso, the Security Documents may be amended, extended, renewed, restated, supplemented or otherwise modified, replaced or released, in each case without the consent of the Holders, to (i) cure any ambiguity, omission, defect, manifest error or inconsistency therein; (ii) provide for Permitted Collateral Liens or implement any Permitted Reorganization; (iii) amend, extend, renew, restate, supplement, release or otherwise modify or replace any Security Documents, for the purposes of undertaking a Permitted Reorganization; (iv) provide for the release of any Security Interest on any properties and assets constituting Collateral from the Lien of the Security Documents; *provided* that such release is followed by the substantially concurrent retaking of a Lien of at least equivalent priority over the same properties and assets securing the Notes or any Notes Guarantee; (v) add to the Collateral; (vi) comply with the terms of the Intercreditor Agreement or any Additional Intercreditor Agreement; (vii) evidence the succession of another Person to the Issuer or a Guarantor and the assumption by such successor of the obligations under the Indenture, the Notes, the applicable Notes Guarantee and the Security Documents, in each case, in accordance with the "*—Merger and consolidation*" covenant; (viii) evidence and provide for the acceptance of the appointment of a successor trustee or Security Agent; or (ix) make any other change thereto that does not adversely affect the rights of the Holders in any material respect; *provided* that, contemporaneously with any such action in clauses (ii) and (iii), the Issuer delivers to the Trustee, (1) a solvency opinion, in form and substance reasonably satisfactory to the Trustee from an Independent Financial Advisor confirming the solvency of the person granting such Security Interests, after giving effect to any transactions related to such amendment, extension, renewal, restatement, modification, replacement or release, (2) a certificate from the Board of Directors of the relevant Person which confirms the solvency of the person granting such Security Interests after giving effect to any transactions related to such amendment, extension, renewal, restatement, modification, replacement or release, or (3) an Opinion of Counsel, in form and substance reasonably satisfactory to the Trustee, confirming that, after giving effect to any transactions related to such amendment, extension, renewal, restatement, modification, replacement or release, the Lien or Liens created under the Security Documents, so amended, extended, renewed, restated, modified, replaced or released are valid Liens not otherwise subject to any limitation, imperfection or new hardening period, in equity or at law, that such Lien or Liens were not otherwise subject to immediately prior to such amendment, extension, renewal, restatement, modification, replacement or release. In the event that the Issuer complies with the requirements of this covenant, the Trustee and the Security Agent shall (subject to customary protections and indemnifications) consent to such amendments without the need for instructions from the Holders.

Additional intercreditor agreements

The Indenture will provide that, at the request of the Issuer, in connection with the Incurrence by the Issuer or any Restricted Subsidiary of any Indebtedness permitted pursuant to the covenant described under "*—Limitation on Indebtedness*," the Issuer, the relevant Guarantor, the Trustee and the Security Agent shall enter into with the holders of such Indebtedness (or their duly authorized Representatives) an intercreditor agreement, or a restatement, amendment or other modification of an existing intercreditor agreement (an "**Additional Intercreditor Agreement**"), on substantially the same terms as the Intercreditor Agreement (or terms not materially less favorable to the Holders), including with respect to the subordination, payment blockage, limitation on enforcement and release of Notes Guarantees, priority and release of any Security Interest in respect of the Collateral; *provided* that any such Additional Intercreditor Agreement may have the amendments contemplated to occur on the Intercreditor Amendment Effective Date, as defined and further described under "*Description of certain financing arrangements—Intercreditor Agreement*"; *provided, further,* that such Additional Intercreditor Agreement will not impose any personal obligations on the Trustee or the Security Agent or adversely affect the personal rights, duties, liabilities, powers, protections or immunities of the Trustee and the Security Agent under the Indenture or the Intercreditor Agreement. For the avoidance of doubt, subject to the foregoing and the succeeding paragraph, any such Additional Intercreditor Agreement may provide for *pari passu* security interests in respect of any such Indebtedness (to the extent such Indebtedness is permitted to share the Collateral on a *pari passu* basis pursuant to the definition of "Permitted Collateral Liens").

At the direction of the Issuer and without the consent of the Holders, the Trustee and the Security Agent will from time to time enter into one or more amendments to the Intercreditor Agreement or any Additional Intercreditor Agreement to: (i) cure any ambiguity, omission, defect, manifest error or inconsistency therein; (ii) add Guarantors or other parties (such as representatives of new issuances of Indebtedness) thereto; (iii) further secure the Notes (including Additional Notes); (iv) make provision for equal and ratable grants of Liens on the Collateral to secure Additional Notes or to implement any Permitted Collateral Liens; (v) enable any Permitted Reorganization; (vi) subject to the preceding paragraph, to provide for additional Indebtedness (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) to the extent permitted under the Indenture or any other obligations that are permitted by the terms of the Indenture to be Incurred and secured by a Lien on the Collateral on a senior, *pari passu* or junior basis with the Liens securing the Notes or the Notes Guarantees; (vii) add Restricted Subsidiaries to the Intercreditor Agreement or an Additional Intercreditor Agreement; (viii) amend the Intercreditor Agreement or any Additional Intercreditor Agreement in accordance with the terms thereof; (ix) increase the amount of the Credit Facilities covered by any such agreement,

the Incurrence of which is not prohibited by the Indenture; or (x) make any other change thereto that does not adversely affect the rights of the Holders of the Notes in any material respect. The Issuer will not otherwise direct the Trustee or the Security Agent to enter into any amendment to the Intercreditor Agreement or, if applicable, any Additional Intercreditor Agreement, without the consent of the Holders of a majority in aggregate principal amount of the Notes then outstanding, except as otherwise permitted below under "*—Amendments and waivers*," 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, in the opinion of the Trustee or Security Agent, adversely affect their respective rights, duties, liabilities, powers, protections or immunities under the Indenture or the Intercreditor Agreement or any Additional Intercreditor Agreement.

Each Holder of a Note, by accepting such Note, will be deemed to have:

(1) appointed and authorized the Trustee and the Security Agent from time to time to give effect to such provisions;

(2) authorized each of the Trustee and the Security Agent from time to time to become a party to any additional intercreditor arrangements described above;

(3) agreed to be bound by such provisions and the provisions of any additional intercreditor arrangements described above; and

(4) irrevocably appointed the Trustee and the Security Agent to act on its behalf from time to time to enter into and comply with such provisions and the provisions of any additional intercreditor arrangements described above (including, for the avoidance of doubt, the amendments contemplated to occur on the Intercreditor Amendment Effective Date, as defined and further described under "*Description of certain financing arrangements—Intercreditor Agreement*"),

in each case, without the need for the consent of the Holders.

The Indenture will also provide that, in relation to the Intercreditor Agreement or an Additional Intercreditor Agreement, the Trustee (and the Security Agent, if applicable) shall consent on behalf of the Holders to the payment, repayment, purchase, repurchase, defeasance, acquisition, retirement or redemption of any obligations subordinated to the Notes thereby; *provided*, *however*, that such transaction would comply with the "*—Limitation on Restricted Payments*" covenant and the terms of the Intercreditor Agreement and any Additional Intercreditor Agreement.

Additional Notes Guarantees

No Restricted Subsidiary (other than a Guarantor) shall Guarantee the payment of, assume or in any manner become obligated under or with respect to any Indebtedness of the Issuer or a Guarantor unless such Restricted Subsidiary is or becomes an Additional Guarantor on the date on which such other Guarantee or Indebtedness is Incurred (or as soon as reasonably practicable thereafter) and, if applicable, executes and delivers to the Trustee a supplemental indenture substantially in the form attached to the Indenture pursuant to which such Restricted Subsidiary will provide a Notes Guarantee (which Notes Guarantee shall be senior to or *pari passu* with such Restricted Subsidiary's Guarantee of such other Indebtedness).

Notwithstanding the foregoing paragraphs in this covenant,

(1) an Additional Guarantor's Notes Guarantee shall not be required to the extent it could result in (A) any breach or violation of statutory limitations, corporate benefit, financial assistance, fraudulent preference, thin capitalization rules, transfer pricing rules, capital maintenance rules, guidance and coordination rules or the laws rules or regulations (or analogous restriction) of any applicable jurisdiction; (B) any risk or liability for the officers, directors or (except in the case of a Restricted Subsidiary that is a partnership) shareholders of such Restricted Subsidiary (or, in the case of a Restricted Subsidiary that is a partnership, directors or shareholders of the partners of such partnership); (C) any material cost, expense, liability or obligation (including with respect to any Taxes but excluding any obligation under the Guarantee itself) that cannot be avoided by commercially reasonable measures available to the Issuer other than reasonable out of pocket expenses; or (D) any inconsistency with the Agreed Security Principles (but, in the case of (A), each of the Issuer and the Restricted Subsidiaries will use their commercially reasonable efforts to overcome the relevant legal limitation and will procure that the relevant Restricted Subsidiary undertakes all whitewash or similar procedures which are legally available to eliminate the relevant limit); and

(2) for so long as it is not permissible under applicable law or regulation for a Restricted Subsidiary to become an Additional Guarantor, such Restricted Subsidiary need not become an Additional Guarantor (but, in such a case, each of the Issuer and the Restricted Subsidiaries will use their commercially reasonable efforts to overcome the relevant legal prohibition precluding the giving of the Guarantee and will procure that the relevant Restricted Subsidiary undertakes all whitewash or similar procedures which are legally available to eliminate the relevant legal prohibition, and shall give such Guarantee at such time (and to the extent) that it thereafter becomes permissible).

The first paragraph of this covenant shall not apply to: (1) the granting by such Restricted Subsidiary of a Permitted Lien under circumstances which do not otherwise constitute the Guarantee of Indebtedness of the Issuer; (2) Guarantees by any Restricted Subsidiary of Indebtedness that refinances Indebtedness which benefited from a Guarantee by any Restricted Subsidiary Incurred in compliance with this covenant immediately prior to such refinancing; (3) Guarantees by any Restricted Subsidiary 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 and the terms of such Guarantee prohibit the relevant Restricted Subsidiary from becoming an Additional Guarantor; (4) Guarantees by any Restricted Subsidiary of Indebtedness Incurred under the 2026 Indenture, the 2027 Indenture or the Revolving Credit Facility, in each case as in effect on the Issue Date; and (5) Guarantees given by any Restricted Subsidiary to a bank or trust company incorporated in any member state of the European Union or any commercial banking institution that is a member of the U.S. Federal Reserve System (or any branch, Subsidiary or Affiliate thereof), in each case having combined capital and surplus and undivided profits of not less than €250 million, whose debt has a rating, at the time such Guarantee was given, of at least A or the equivalent thereof by S&P and at least A2 or the equivalent thereof by Moody's, in connection with the operation of cash management programs established for the Issuer's benefit or that of any Restricted Subsidiary.

Each such Notes Guarantee will be limited as necessary to recognize certain defenses generally available to Guarantors (including those that relate to fraudulent conveyance or transfer, voidable preference, financial assistance, corporate purpose, capital maintenance or similar laws, regulations or defenses affecting the rights of creditors generally) or other considerations under applicable law.

Each Notes Guarantee shall be released in accordance with the provisions of the Indenture and the Intercreditor Agreement described under "*—Notes Guarantees*" and "*Description of certain financing arrangements—Intercreditor Agreement*."

Events of Default

Each of the following is an "**Event of Default**" under the Indenture:

(1) default in any payment of interest on any Note issued under the Indenture when due and payable, continued for 30 days;

(2) default in the payment of the principal amount of or premium, if any, on any Note issued under the Indenture when due at its stated maturity, upon optional redemption, upon required repurchase, upon declaration or otherwise;

(3) failure by the Guarantors, the Issuer or any of its Restricted Subsidiaries to comply for 30 days after notice by the Trustee or the Holders of at least 30% in aggregate principal amount of the outstanding Notes with any of its obligations under "*—Change of Control*" above (other than a failure to purchase Notes which will constitute an Event of Default under clause (2) above);

(4) failure by the Issuer or any of its Restricted Subsidiaries to comply for 60 days after notice by the Trustee or the Holders of at least 30% in aggregate principal amount of the outstanding Notes with its other agreements contained in the Indenture, the Intercreditor Agreement, any Additional Intercreditor Agreement and Security Documents;

(5) default under any mortgage, indenture or instrument under which there may be issued or by which there may be secured or evidenced any Indebtedness for money borrowed by the Issuer or any of its Restricted Subsidiaries (or the payment of which is Guaranteed by the Issuer or any of its Restricted Subsidiaries) other than Indebtedness owed to the Issuer or a Restricted Subsidiary whether such Indebtedness or Guarantee now exists, or is created after the Issue Date, which default:

(a) is caused by a failure to pay principal at stated maturity on such Indebtedness, immediately upon the expiration of the grace period provided in such Indebtedness ("**payment default**"); or

(b) results in the acceleration of such Indebtedness prior to its maturity (the "**cross acceleration provision**"), and, in each case, the principal amount of any such Indebtedness, together with the principal amount of any other such Indebtedness under which there has been a payment default or the maturity of which has been so accelerated, aggregates €40 million or more;

(6) certain events of bankruptcy, insolvency or court protection of the Issuer or a Significant Subsidiary or group of Restricted Subsidiaries that, taken together (as of the latest audited consolidated financial statements of the Issuer), would constitute a Significant Subsidiary (the "**bankruptcy provisions**");

(7) failure by the Issuer or any Significant Subsidiary or group of Restricted Subsidiaries that, taken together (as of the latest audited consolidated financial statements of the Issuer), would constitute a Significant Subsidiary to pay final judgments aggregating in excess of €40 million (exclusive of any amounts that a solvent insurance company has acknowledged liability for), which judgments are not paid, discharged or stayed for a period of 60 days after the judgment becomes final (the "**judgment default provision**");

(8) any Security Interest (a) under the Security Documents or (b) over assets secured by a Lien described in clause (21) of the definition of "Permitted Liens" securing Additional Notes, shall, at any time, cease to be in full force and effect (other than in accordance with the terms of the relevant Security Document, the Intercreditor Agreement, any Additional Intercreditor Agreement and the Indenture) with respect to Collateral having a fair market value in excess of €10 million for any reason other than the satisfaction in full of all obligations under the Indenture or the release of any such Security Interest in accordance with the terms of the Indenture, the Intercreditor Agreement, any Additional Intercreditor Agreement and the Security Documents or any such Security Interest created thereunder shall be declared invalid or unenforceable or any grantor of a Lien over the Collateral shall assert in writing that any such Security Interest is invalid or unenforceable and any such Default continues for 10 days (the "**security default provisions**"); and

(9) any Notes Guarantee of a Significant Subsidiary (or a group of Restricted Subsidiaries that are Guarantors that, taken together (as of the latest audited consolidated financial statements of the Issuer) would constitute a Significant Subsidiary) ceases to be in full force and effect (other than in accordance with the terms of such Notes Guarantee or the Indenture) or is declared invalid or unenforceable in a judicial proceeding or any Guarantor denies or disaffirms in writing its obligations under its Notes Guarantee and any such Default continues for 10 days (the "**guarantee provisions**").

However, a default under clauses (3), (4), (5) or (7) of this paragraph will not constitute an Event of Default until the Trustee or the Holders of at least 30% in aggregate principal amount of the outstanding Notes under the Indenture notify the Issuer of the default and, with respect to clauses (3), (4), (5) and (7) the Issuer does not cure such default within the time specified in clauses (3), (4), (5) or (7), as applicable, of this paragraph after receipt of such notice.

If an Event of Default (other than an Event of Default described in clause (6) above) occurs and is continuing, the Trustee by notice to the Issuer or the Holders of at least 30% in aggregate principal amount of the outstanding Notes under the Indenture by written notice to the Issuer and the Trustee, may, and the Trustee at the request of such Holders shall, declare the principal of, premium, if any, and accrued and unpaid interest on all the Notes under the Indenture to be due and payable. Upon such a declaration, such principal, premium and accrued and unpaid interest will be due and payable immediately. In the event of a declaration of acceleration of the Notes because an Event of Default described in clause (5) under "*—Events of Default*" has occurred and is continuing, the declaration of acceleration of the Notes shall be automatically annulled if the event of default or payment default triggering such Event of Default pursuant to clause (5) shall be remedied or cured, or waived by the holders of the Indebtedness, or the Indebtedness that gave rise to such Event of Default shall have been discharged in full, within 30 days after the declaration of acceleration with respect thereto and if (1) the annulment of the acceleration of the Notes would not conflict with any judgment or decree of a court of competent jurisdiction and (2) all existing Events of Default, except nonpayment of principal, premium or interest on the Notes that became due solely because of the acceleration of the Notes, have been cured or waived.

If an Event of Default described in clause (6) above occurs and is continuing, the principal of, premium, if any, and accrued and unpaid interest on all the Notes will become and be immediately due and payable without any declaration or other act on the part of the Trustee or any Holders.

Holders of the Notes may not enforce the Indenture or the Notes except as provided in the Indenture and may not enforce the Security Documents except as provided in such Security Documents and the Intercreditor Agreement or any Additional Intercreditor Agreement.

The Holders of a majority in aggregate principal amount of the outstanding Notes under the Indenture may waive all past or existing Defaults or Events of Default (except with respect to nonpayment of principal, premium, interest or Additional Amounts, if any, which may only be waived with the consent of Holders of not less than 90% of the aggregate principal amount of the outstanding Notes) and rescind any such acceleration with respect to such Notes and its consequences if rescission would not conflict with any judgment or decree of a court of competent jurisdiction.

Subject to the provisions of the Indenture relating to the duties of the Trustee, if an Event of Default occurs and is continuing, the Trustee will be under no obligation to exercise any of the rights or powers under the Indenture at the request or direction of any of the Holders unless such Holders have offered to the Trustee, and the Trustee has received, indemnity and/or security (including by way of pre-funding) satisfactory to the Trustee in its sole discretion against any loss, liability or expense. Except to enforce the right to receive payment of principal, interest or premium, if any, when due, no Holder may pursue any remedy with respect to the Indenture or the Notes unless:

(1) such Holder has previously given the Trustee notice that an Event of Default is continuing;

(2) Holders of at least 30% in aggregate principal amount of the outstanding Notes have requested the Trustee to pursue the remedy;

(3) such Holders have offered in writing the Trustee, and the Trustee has received, security and/or indemnity (including by way of pre-funding) reasonably satisfactory to it against any loss, liability or expense;

(4) the Trustee has not complied with such request within 60 days after the receipt of the request and the offer of security and/or indemnity; and

(5) the Holders of a majority in aggregate principal amount of the outstanding Notes have not given the Trustee a direction that, in the opinion of the Trustee, is inconsistent with such request within such 60-day period.

Subject to certain restrictions, the Holders of a majority in aggregate principal amount of the outstanding Notes are given the right to direct the time, method and place of conducting any proceeding for any remedy available to the Trustee or of exercising any trust or power conferred on the Trustee.

The Indenture will provide that, in the event an Event of Default has occurred and is continuing, the Trustee will be required in the exercise of its powers to use the degree of care that a prudent person would use in the conduct of its own affairs. The Trustee, however, may refuse to follow any direction that conflicts with law or the Indenture or that the Trustee determines is unduly prejudicial to the rights of any other Holder or that would involve the Trustee in personal liability. Prior to taking any action under the Indenture, the Trustee will be entitled to receive indemnification and/or security satisfactory (including by way of pre-funding) to it in its sole discretion against all losses, liabilities and expenses caused by taking or not taking such action. The Indenture will provide that if a Default occurs and is continuing and a responsible officer of the Trustee is informed in writing of such occurrence by the Issuer, the Trustee must give notice of the Default to the Holders within 60 days after being notified by the Issuer. Except in the case of a Default in the payment of principal of, or premium, if any, or interest on any Note, the Trustee may withhold notice if and so long as a committee of trust officers of the Trustee in good faith determines that withholding notice is in the interests of the Holders.

The Issuer is required to deliver to the Trustee, within 120 days after the end of each fiscal year, an Officer's Certificate indicating whether the signers thereof know of any Default that occurred during the previous year. The Issuer is required to deliver to the Trustee, within 30 days after the occurrence thereof, written notice of any events of which it is aware which would constitute Defaults, their status and what action the Issuer is taking or proposes to take in respect thereof.

The Indenture will provide that (i) if a Default occurs for a failure to deliver a required certificate in connection with another default (an "**Initial Default**"), then at the time such Initial Default is cured, such Default for a failure to report or deliver a required certificate in connection with the Initial Default will also be cured without any further action and (ii) any Default or Event of Default for the failure to comply with the time periods prescribed in the covenant entitled "*—Certain covenants—Reports*" or otherwise to deliver any notice or certificate pursuant to any other provision of the Indenture shall be deemed to be cured upon the delivery of any such report required by such covenant or notice or certificate, as applicable, even though such delivery is not within the prescribed period specified in the Indenture.

The Indenture will also provide for the Trustee to take action on behalf of the Holders in certain circumstances, but only if Holders have offered to the Trustee, and the Trustee has received, indemnity and/or security (including by way of pre-funding) satisfactory to it in its sole discretion. It may not be possible for the Trustee to take certain actions in relation to the Notes and, accordingly, in such circumstances the Trustee will be unable to take action, notwithstanding the provision of an indemnity to it, and it will be for Holders to take action directly.

Amendments and waivers

Subject to certain exceptions, the Notes Documents may be amended, supplemented or otherwise modified with the consent of the Holders of a majority in aggregate principal amount of the Notes then outstanding (including consents obtained in connection with a purchase of, or tender offer or exchange offer for, Notes) and, subject to certain exceptions, any default or compliance with any provisions thereof may be waived with the consent of the Holders of a majority in aggregate principal amount of the Notes then outstanding (including consents obtained in connection with a purchase of, or tender offer or exchange offer for, Notes); *provided* that, if any amendment, supplement, modification or waiver will only affect only one series of the Notes, only the consent of a majority in aggregate principal amount of the then outstanding Notes of such series, and not the consent of holders of a majority in aggregate principal amount of all Notes then outstanding, will be required.

However, without the consent of Holders holding not less than 90% (or in the case of clause (8) below, 80%) of the then outstanding principal amount of Notes affected, (including consents obtained in connection with a purchase of, or tender offer or exchange offer for, Notes), an amendment 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, waiver or modification;

(2) reduce the stated rate of or extend the stated time for payment of interest on any Note;

(3) reduce the principal of or extend the Stated Maturity of any Note;

(4) reduce the premium payable upon the redemption of any Note or change the time at which any Note may be redeemed, in each case as described above under "*—Optional redemption*" or "*—Redemption for taxation reasons*";

(5) make any Note payable in money other than that stated in the Note;

(6) impair the right of any Holder to institute suit for the enforcement of any payment of principal of, or interest or Additional Amounts, if any, on or with respect to such Holder's Notes on or after the due dates therefor;

(7) make any change in the provision of the Indenture described under "*—Withholding taxes*" that adversely affects the right of any Holder of such Notes in any material respect or amends the terms of such Notes in a way that would result in a loss of an exemption from any of the Taxes described thereunder or an exemption from any obligation to withhold or deduct Taxes so described thereunder unless the Payor agrees to pay Additional Amounts, if any, in respect thereof;

(8) release all or substantially all the Security Interests granted for the benefit of the Holders in the Collateral other than in accordance with the terms of the Security Documents, the Intercreditor Agreement, any applicable Additional Intercreditor Agreement or the Indenture;

(9) waive a Default or Event of Default with respect to the nonpayment of principal, premium or interest or Additional Amounts, if any, on the Notes (except pursuant to a rescission of acceleration of the Notes by the Holders of at least a majority in aggregate principal amount of such Notes and a waiver of the payment default that resulted from such acceleration);

(10) release any Guarantor from any of its obligations (or modify such obligations in any manner adverse to the Holders) under any Notes Guarantee or the Indenture, as applicable, except in accordance with the terms of the Indenture, the Intercreditor Agreement and any Additional Intercreditor Agreement; or

(11) make any change in the amendment or waiver provisions which require the Holders' consent described in this sentence,

provided, *however*, that if such amendment or waiver described above only affects or would only affect Holders of the Notes of one series, and does not or would not affect Holders of the Notes generally, only the consent of Holders of not less than 90% (or, in the case of clause (8) above, 80%) of the then outstanding principal amount of Notes of such series shall be required.

Notwithstanding the foregoing, without the consent of any Holder, the Issuer, the Trustee and the Security Agent, as applicable, may amend or supplement any Notes Documents to:

(1) cure any ambiguity, omission, defect, error or inconsistency;

(2) provide for the assumption by a successor Person of the obligations of the Issuer or any Guarantor under any Notes Document;

(3) add to the covenants for the benefit of the Holders or surrender any right or power conferred upon the Issuer or any Restricted Subsidiary;

(4) make any change that would provide additional rights or benefits to the Trustee, the Security Agent or the Holders or does not adversely affect the rights or benefits to the Trustee, the Security Agent or any of the Holders in any material respect under the Notes Documents;

(5) make such provisions as necessary (as determined in good faith by a member of senior management or the Board of Directors of the Issuer) for the issuance of Additional Notes;

(6) to provide for any Restricted Subsidiary to provide a Notes Guarantee in accordance with the "*—Certain covenants—Limitation on Indebtedness*" or "*—Certain covenants—Additional Notes Guarantees*" covenants, to add Notes Guarantees with respect to the Notes, to add security to or for the benefit of the Notes, or to confirm and evidence the release, termination, discharge or retaking of any Notes Guarantee or Lien (including the Collateral and the Security Documents) or any amendment in respect thereof with respect to or securing the Notes when such release, termination, discharge or retaking or amendment is permitted under the Indenture, the Security Documents, the Intercreditor Agreement and any Additional Intercreditor Agreement;

(7) to conform the text of the Indenture, the Security Documents, the Notes or the Intercreditor Agreement to any provision of this "*Description of the Notes*" or "*Description of certain financing arrangements—Intercreditor Agreement*" to the extent that such provision in the Indenture, the Security Documents, the Notes or the Intercreditor Agreement was intended to be a verbatim recitation of a provision set forth under this "*Description of the Notes*" and "*Description of certain financing arrangements—Intercreditor Agreement*," as applicable;

(8) to evidence and provide for the acceptance and appointment under the Indenture, the Intercreditor Agreement or any Additional Intercreditor Agreement of a successor Trustee or Security Agent pursuant to the requirements thereof or to provide for the accession by the Trustee or Security Agent to any Notes Document;

(9) 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 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;

(10) 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);

(11) to comply with the rules of any applicable securities depositary;

(12) as provided in "—Additional intercreditor agreements" and "—Impairment of security interest"; or

(13) to make amendments to the provisions of the Intercreditor Agreement as defined and further described under "*Description of certain financing arrangements — Intercreditor Agreement*" in these listing particulars, as certified in an Officer's Certificate of the Issuer delivered to the Trustee.

In formulating its decision on such matters, the Trustee shall be entitled to require and rely absolutely on such evidence as it deems necessary, including Officer's Certificates and Opinions of Counsel, which shall be conclusive.

The consent of the Holders is not necessary under the Indenture to approve the particular form of any proposed amendment. It is sufficient if such consent approves the substance of the proposed amendment. A consent to any amendment or waiver under the Indenture by any Holder of Notes given in connection with a tender of such Holder's Notes will not be rendered invalid by such tender.

For so long as the Notes are listed on the Securities Official List of the Luxembourg Stock Exchange and the rules of such exchange so require, the Issuer will inform the Luxembourg Stock Exchange of any of the foregoing amendments, supplements and waivers and publish a notice of any of the foregoing amendments, supplements and waivers on the website of the Luxembourg Stock Exchange (*www.luxse.com*), to the extent and in the manner permitted by the rules of the Luxembourg Stock Exchange.

Notwithstanding anything to the contrary in the paragraphs above, in order to effect an amendment authorized by clause (6) above to add a Guarantor under the Indenture, it shall only be necessary for the supplemental indenture providing for the accession of such Additional Guarantor to be duly authorized and executed by (i) the Issuer, (ii) such Additional Guarantor and (iii) the Trustee. Any other amendments permitted by the Indenture need only be duly authorized and executed by the Issuer and the Trustee.

Acts by holders

In determining whether the Holders of the required principal amount of the Notes have concurred in any direction, waiver or consent, the Notes owned by the 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.

Defeasance

The Issuer at any time may terminate all of its and each Guarantor's obligations under the Notes and the Indenture ("**legal defeasance**") and cure all then existing Defaults and Events of Default, except for certain obligations, including those respecting the defeasance trust (as defined below), the rights, powers, trusts, duties, immunities and indemnities of the Trustee and the Security Agent and the obligations of the Issuer and the Guarantors in connection therewith and obligations concerning issuing temporary Notes, registration of Notes, mutilated, destroyed, lost or stolen Notes and the maintenance of an office or agency for payment and money for security payments held in trust. Subject to the foregoing, if the Issuer exercises its legal defeasance option, the Security Documents and the rights of the Trustee and the Holders under the Intercreditor Agreement or any Additional Intercreditor Agreement in effect at such time will terminate (other than with respect to the defeasance trust).

The Issuer at any time may terminate each Restricted Subsidiary's obligations under the covenants described under "*—Certain covenants*" (other than clauses (1) and (2) of "*—Certain covenants—Merger and consolidation—The Issuer*") and "*—Change of Control*" and the default provisions relating to such covenants described under "*—Events of Default*" above, the operation of the cross default upon a payment default, the cross acceleration provisions, the bankruptcy provisions with respect to the Issuer and Significant Subsidiaries, the judgment default provision, the guarantee provision and the security default provision described under "*—Events of Default*" above ("**covenant defeasance**").

The Issuer at its option at any time may exercise its legal defeasance option notwithstanding its prior exercise of its covenant defeasance option. If the Issuer exercises its legal defeasance option, payment of the Notes may not be accelerated because of an Event of Default with respect to such Notes. If the Issuer exercises its covenant defeasance option with respect to the Notes, payment of the Notes may not be accelerated because of an Event of Default specified in clause (3) (other than with respect to clauses (1) and (2) of the "*—Merger and consolidation—The Issuer*" covenant), (4), (5), (6), (7), (8) and (9) under "*—Events of Default*" above.

In order to exercise either defeasance option, the Issuer must irrevocably deposit in trust (the "**defeasance trust**") with the Trustee (or another entity designated or appointed (as agent) by the Trustee for this purpose) cash in euro or euro-denominated European Government Obligations or a combination thereof sufficient for the payment of principal, premium, if any, and interest on the Notes to redemption or maturity, as the case may be, and must comply with certain other conditions, including delivery to the Trustee of:

(1) an Opinion of Counsel in the United States to the effect that Holders and beneficial owners of the Notes will not recognize income, gain or loss for U.S. federal income tax purposes as a result of such deposit and defeasance and will be subject to U.S. federal income tax on the same amount and in the same manner and at the same times as would have been the case if such deposit and defeasance had not occurred (and in the case of legal defeasance only, such Opinion of Counsel in the United States must be based on a ruling of the U.S. Internal Revenue Service or other change in applicable U.S. federal income tax law);

(2) an Officer's Certificate stating that the deposit was not made by the Issuer with the intent of defeating, hindering, delaying, defrauding or preferring any creditors of the Issuer;

(3) an Officer's Certificate and an Opinion of Counsel (which opinion of counsel may be subject to customary assumptions and exclusions), each stating that all conditions precedent provided for or relating to legal defeasance or covenant defeasance, as the case may be, have been complied with; and

(4) all other documents or other information that the Trustee may reasonably require in connection with either defeasance option.

Satisfaction and discharge

The Indenture, and the rights of the Trustee and the Holders under the Intercreditor Agreement, any Additional Intercreditor Agreement and the Security Documents, will be discharged and cease to be of further effect (except as to surviving rights of conversion or transfer or exchange of the Notes, as expressly provided for in the Indenture) as to all outstanding Notes when:

(1) either (a) all the Notes previously authenticated and delivered (other than certain lost, stolen or destroyed Notes, and certain Notes for which provision for payment was previously made and thereafter the funds have been released to the Issuer) have been delivered to the Trustee for cancellation; or (b) all Notes not previously delivered to the Trustee for cancellation (i) have become due and payable, (ii) will become due and payable at their Stated Maturity within one year or (iii) are to be called for redemption within one year under arrangements reasonably satisfactory to the Trustee for the giving of notice of redemption;

(2) the Issuer has deposited or caused to be deposited with the Trustee (or another entity designated or appointed (as agent) by the Trustee for this purpose), cash in euro or euro-denominated European Government Obligations, or a combination thereof, as applicable, in an amount sufficient to pay and discharge the entire Indebtedness on the Notes not previously delivered to the Trustee for cancellation, for principal, premium, if any, and interest to the date of deposit (in the case of Notes that have become due and payable), or to the Stated Maturity or redemption date, as the case may be;

(3) the Issuer has paid or caused to be paid all other sums payable (i) under the Indenture and (ii) to the Trustee under the Intercreditor Agreement, any Additional Intercreditor Agreement and the Security Documents; and

(4) the Issuer has delivered to the Trustee an Officer's Certificate and an Opinion of Counsel each to the effect that all conditions precedent under the "*—Satisfaction and discharge*" section of the Indenture relating to the satisfaction and discharge of the Indenture have been complied with; *provided* that any such counsel may rely on any Officer's Certificate as to matters of fact (including as to compliance with the foregoing clauses (1), (2) and (3)).

If requested by the Issuer, the Trustee (or another entity designated or appointed (as agent) by the Trustee for this purpose), may distribute any amounts deposited in trust to the Holders prior to the maturity or the redemption date, as the case may be; *provided*, *however*, that the Holders shall receive at least three Business Days' notice from the Issuer of such earlier repayment date (which may be included in the notice of redemption). For the avoidance of doubt, the distribution and payments to Holders prior to the maturity or redemption date as set forth above will not include any negative interest, present value adjustment, break cost or any other premium on such amounts. If requested by the Issuer, the Trustee (or another entity designated or appointed (as agent) by the Trustee for this purpose), may distribute any amounts deposited in trust to the Holders prior to the maturity or the redemption date, as the case may be; *provided*, *however*, that the Holders shall receive at least three Business Days' notice from the Issuer of such earlier repayment date (which may be included in the notice of redemption). For the avoidance of doubt, the distribution and payments to Holders prior to the maturity or redemption date as set forth above will not include any negative interest, present value

adjustment, break cost or any other premium on such amounts.

No personal liability of directors, officers, employees and shareholders

No director, manager, officer, employee, incorporator or shareholder of the Issuer or any of its respective Subsidiaries or Affiliates, as such, shall have any liability for any obligations of the Issuer or any Restricted Subsidiary under the Notes Documents or for any claim based on, in respect of, or by reason of, such obligations or their creation. Each Holder by accepting a Note waives and releases all such liability. The waiver and release are part of the consideration for issuance of the Notes. Such waiver may not be effective to waive liabilities under the U.S. federal securities laws, and it is the view of the SEC that such a waiver is against public policy.

Listing and general information

Application has been made to list the Notes and the Exchange Notes on the Securities Official List of the Luxembourg Stock Exchange. The Issuer may also choose to list on another recognized stock exchange.

Concerning the Trustee

BNY Mellon Corporate Trustee Services Limited is to be appointed as Trustee under the Indenture. The Indenture will provide that, except during the continuance of an Event of Default, of which a responsible officer of the Trustee has been informed in writing, the Trustee will perform only such duties as are set forth specifically in the Indenture. During the existence of an Event of Default, of which a responsible officer of the Trustee has been informed in writing, the Trustee will exercise such of the rights and powers vested in it under the Indenture and use the same degree of care that a prudent Person would use in conducting its own affairs. The permissive rights of the Trustee to take or refrain from taking any action enumerated in the Indenture will not be construed as an obligation or duty. The 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 on behalf of the Holders, subject to certain exceptions.

The Indenture will impose certain limitations on the rights of the Trustee, should it become a creditor of the Issuer, to obtain payment of claims in certain cases, or to realize on certain property received in respect of any such claim as security or otherwise. The Trustee will be permitted to engage in other transactions with the Issuer and its Affiliates and Subsidiaries.

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 and/or security (including by way of pre-funding) of the Trustee by the Issuer and the Guarantors for any loss, liability, taxes or expenses Incurred without gross negligence, willful misconduct or fraud on its part, arising out of or in connection with the acceptance or administration of the Indenture.

Notices

All notices to Holders will be validly given if mailed to them at their respective addresses in the register of the Holders, if any, maintained by the Registrar. In addition, for so long as any of the Notes are listed on the Securities Official List of the Luxembourg Stock Exchange and the rules of the Luxembourg Stock Exchange shall so require, notices with respect to the Notes will, to the extent and in the manner permitted by such rules, be posted on the official website of the Luxembourg Stock Exchange (*www.luxse.com*). In addition, for so long as any Notes are represented by Global Notes, all notices to Holders will be delivered to Euroclear and Clearstream, each of which will give such notices to the holders of Book-Entry Interests. If publication as provided above is not practicable, notice will be given in such other manner, and shall be deemed to have given, on such date, as the Trustee may approve.

Each such notice shall be deemed to have been given on the date of such publication or, if published more than once on different dates, on the first date on which publication is made; *provided* that, if notices are mailed, such notice shall be deemed to have been given on the later of such publication and the seventh day after being so mailed. Any notice or communication mailed to a Holder shall be mailed to such Person by first class mail or other equivalent means and shall be sufficiently given to such Holder if so mailed within the time prescribed. Failure to mail a notice or communication to a Holder or any defect in it shall not affect its sufficiency with respect to other Holders. If a notice or communication is mailed in the manner provided above, it is duly given, whether or not the addressee receives it.

Prescription

Claims against the Issuer or any Guarantor for the payment of principal, or premium, if any, on the Notes will be prescribed ten years after the applicable due date for payment thereof. Claims against the Issuer or any Guarantor for the payment of interest on the Notes will be prescribed five years after the applicable due date for payment of interest.

Currency indemnity and calculation of euro-denominated restrictions

Euro is the sole currency of account and payment for all sums payable by the Issuer and the Guarantors under or in connection with the Notes and the Notes Guarantees, as the case may be, including damages. Any amount received or recovered in a currency other than euro, whether as a result of, or the enforcement of, a judgment or order of a court of any jurisdiction, in the winding-up or dissolution of the Issuer, any Guarantor or otherwise by any Holder or by the Trustee, in respect of any sum expressed to be due to it from the Issuer or a Guarantor will only constitute a discharge to the Issuer or such Guarantor, as applicable, to the extent of the euro amount, which the recipient is able to purchase with the amount so received or recovered in that other currency on the date of that receipt or recovery (or, if it is not practicable to make that purchase on that date, on the first date on which it is practicable to do so).

If that euro amount is less than the euro amount expressed to be due to the recipient or the Trustee under any Note, the Issuer and the Guarantors will indemnify them against any loss sustained by such recipient or the Trustee as a result. In any event, the Issuer and the Guarantors will indemnify the recipient or the Trustee on a joint or several basis against the cost of making any such purchase. For the purposes of this currency indemnity provision, it will be prima facie evidence of the matter stated therein for the Holder of a Note or the Trustee to certify in a manner reasonably satisfactory to the Issuer (indicating the sources of information used) the loss it Incurred in making any such purchase. These indemnities constitute a separate and independent obligation from the Issuer's and the Guarantors' other obligations, will give rise to a separate and independent cause of action, will apply irrespective of any waiver granted by any Holder of a Note or the Trustee (other than a waiver of the indemnities set out herein) and will continue in full force and effect despite any other judgment, order, claim or proof for a liquidated amount in respect of any sum due under any Note, any Notes Guarantee or to the Trustee.

Except as otherwise specifically set forth herein, for purposes of determining compliance with any euro-denominated restriction herein, the Euro Equivalent amount for purposes hereof that is denominated in a non-euro currency shall be calculated based on the relevant currency exchange rate in effect on the date such non-euro amount is Incurred or made, as the case may be.

Enforceability of judgments

Since substantially all the assets of the Issuer and the Initial Guarantors are located outside the United States, any judgment obtained in the United States against the Issuer or the Initial Guarantors, including judgments with respect to the payment of principal, premium, interest, Additional Amounts, if any, and any redemption price and any purchase price with respect to the Notes or the Notes Guarantee, may not be collectable within the United States.

Consent to jurisdiction and service

In relation to any legal action or proceedings arising out of or in connection with the Indenture, the Notes and the Notes Guarantees, the Issuer and each Guarantor will, in the Indenture, appoint an agent for service of process and irrevocably submit to the jurisdiction of the federal and state courts in the Borough of Manhattan in the City of New York, County and State of New York, United States.

Governing law

The Indenture, the Notes and the Notes Guarantees, and the rights and duties of the parties thereunder shall be governed by and construed in accordance with the laws of the State of New York.

The Intercreditor Agreement and the rights and duties of the parties thereunder shall be governed by and construed in accordance with the laws of England and Wales.

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.

"**2026 Indenture**" means the indenture governing the Senior Secured Notes dated December 12, 2019, among, *inter alios*, the Issuer, the Initial Guarantors, BNY Mellon Corporate Trustee Services Limited, as trustee, and the Security

Agent, as amended, supplemented or otherwise modified from time to time.

"**2026 Notes**" means the €460.0 million aggregate principal amount of the Issuer's 3.375% Senior Secured Notes due 2026 and €400.0 million aggregate principal amount of the Issuer's Senior Secured Floating Rate Notes due 2026 issued under the 2026 Indenture.

"**2027 Indenture**" means the indenture governing the Senior Secured Floating Rate Notes dated February 1, 2023, among, *inter alios*, the Issuer, the Initial Guarantors, BNY Mellon Corporate Trustee Services Limited, as trustee, and the Security Agent, as amended, supplemented or otherwise modified from time to time.

"**2027 Notes**" means the €200.0 million aggregate principal amount of the Issuer's Senior Secured Floating Rate Notes due 2027 issued under the 2027 Indenture.

"**Acquired Indebtedness**" means Indebtedness (1) of a Person or any of its Subsidiaries existing at the time such Person becomes a Restricted Subsidiary, or (2) assumed in connection with the acquisition of assets from such Person, in each case whether or not Incurred by such Person in connection with such Person becoming a Restricted Subsidiary or such acquisition or (3) of a Person at the time such Person merges with or into or consolidates or otherwise combines with the Issuer or any Restricted Subsidiary. Acquired Indebtedness shall be deemed to have been Incurred, with respect to clause (1) of the preceding sentence, on the date such Person becomes a Restricted Subsidiary and, with respect to clause (2) of the preceding sentence, on the date of consummation of such acquisition of assets and, with respect to clause (3) of the preceding sentence, on the date of the relevant merger, consolidation or other combination.

"**Additional Assets**" means:

(1) any property or assets (other than Indebtedness and Capital Stock) used or to be used by the Issuer, a Restricted Subsidiary or otherwise useful in a Similar Business (it being understood that capital expenditures on property or assets already used in a Similar Business or to replace any property or assets that are the subject of such Asset Disposition shall be deemed an investment in Additional Assets);

(2) all or substantially all of the assets of a Person that is engaged in a Similar Business;

(3) the Capital Stock of a Person that is engaged in a Similar Business and becomes a Restricted Subsidiary as a result of the acquisition of such Capital Stock by the Issuer or a Restricted Subsidiary; or

(4) Capital Stock constituting a minority interest in any Person that at such time is a Restricted Subsidiary.

"**Affiliate**" of any specified Person means any other Person, directly or indirectly, controlling or controlled by or under direct or indirect common control with such specified Person. For the purposes of this definition, "control" when used with respect to any Person means the power to direct the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise; and the terms "controlling" and "controlled" have meanings correlative to the foregoing.

"**Agreed Security Principles**" means the Agreed Security Principles attached to the Indenture, as interpreted and applied in good faith by a member of senior management or the Board of Directors of the Issuer.

"**Amended and Restated Intercreditor Agreement**" means the Intercreditor Agreement as amended and restated as of the Intercreditor Amendment Effective Date implementing the amendments defined and as further described under "*Description of certain financing arrangements—Intercreditor Agreement*."

"**Applicable Premium**" means, with respect to any Note on any redemption date, the greater of:

(1) 1% of the principal amount of such Note; or

(2) the excess of:

(a) the present value at such redemption date of all required interest payments due on such Note through February 5, 2025 (excluding accrued but unpaid interest), computed using a discount rate equal to the Bund Rate as of such redemption date *plus* 50 basis points and assuming that the rate of interest on such Notes from the redemption date to and including February 5, 2025 will equal the

rate of interest on such Notes on the date on which the applicable notice of redemption is given; *over*

(b) the outstanding principal amount of such Note;

as calculated by the Issuer or on behalf of the Issuer by such Person as the Issuer shall designate. For the avoidance of doubt, calculation of the Applicable Premium shall not be an obligation or duty of the Trustee, the Calculation Agent or any Paying Agent, nor shall the Trustee, the Calculation Agent or any Paying Agent have any liability related thereto.

"**Asset Disposition**" means any direct or indirect sale, lease (other than an operating lease entered into in the ordinary course of business), transfer, issuance or other disposition, or a series of related sales, leases (other than operating leases entered into in the ordinary course of business), transfers, issuances or dispositions that are part of a common plan, of shares of Capital Stock of a Subsidiary (other than directors' qualifying shares), property or other assets (each referred to for the purposes of this definition as a "disposition") by the Issuer or any of its Restricted Subsidiaries, including any disposition by means of a merger, consolidation or similar transaction. Notwithstanding the preceding provisions of this definition, the following items shall not be deemed to be Asset Dispositions:

(1) a disposition by a Restricted Subsidiary to the Issuer or by the Issuer or a Restricted Subsidiary to a Restricted Subsidiary;

(2) a disposition of cash, Cash Equivalents, Temporary Cash Investments or Investment Grade Securities;

(3) a disposition of inventory, trading stock or other assets in the ordinary course of business;

(4) the sale or lease of equipment or products in the ordinary course of business and any sale or other disposition of obsolete, surplus or worn out equipment or other assets or equipment or other assets that are no longer useful in the conduct of the business of the Issuer and its Restricted Subsidiaries;

(5) transactions permitted under "*—Certain covenants—Merger and consolidation*," any Permitted Reorganization or a transaction that constitutes a Change of Control;

(6) an issuance of Capital Stock by a Restricted Subsidiary to the Issuer or to another Restricted Subsidiary or as part of or pursuant to an equity incentive or compensation plan approved by the Board of Directors of the Issuer;

(7) any Restricted Payment that is permitted to be made, and is made, under the "*—Certain covenants—Limitation on Restricted Payments*" covenant and the making of any Permitted Payment or Permitted Investment;

(8) the granting of Liens not prohibited by the "*—Certain covenants—Limitation on Liens*" covenant;

(9) dispositions of receivables in connection with the compromise, settlement or collection thereof in the ordinary course of business or in bankruptcy or similar proceedings and exclusive of factoring or similar arrangements;

(10) the licensing or sublicensing of intellectual property or other general intangibles and licenses, sublicenses, leases or subleases of other property, in each case, in the ordinary course of business;

(11) foreclosure, condemnation or any similar action with respect to any property or other assets;

(12) the sale or discount (with or without recourse, and on customary or commercially reasonable terms) of accounts receivable or notes receivable arising in the ordinary course of business, or the conversion or exchange of accounts receivable for notes receivable;

(13) sales or dispositions of receivables in connection with any Qualified Receivables Financing, Permitted Recourse Receivables Financing or any factoring transaction or in the ordinary course of business;

(14) any disposition of Capital Stock, Indebtedness or other securities of an Unrestricted Subsidiary;

(15) any disposition of Capital Stock of a Restricted Subsidiary pursuant to an agreement or other obligation with or to a Person (other than the Issuer or a Restricted Subsidiary) from whom such Restricted Subsidiary was acquired,

or from whom such Restricted Subsidiary acquired its business and assets (having been newly formed in connection with such acquisition), made as part of such acquisition and in each case comprising all or a portion of the consideration in respect of such sale or acquisition;

(16) any surrender or waiver of contract rights or the settlement, release or surrender of contract, tort or other claims of any kind;

(17) any disposition with respect to property built, owned or otherwise acquired by the Issuer or any Restricted Subsidiary pursuant to customary sale and lease-back transactions, asset securitizations and other similar financings permitted by the Indenture;

(18) any disposition of assets to a Person who is providing services related to such assets, the provision of which have been or are to be outsourced by the Issuer or any Restricted Subsidiary to such Person; provided, however, that an Officer or the Board of Directors of the Issuer shall certify that in its opinion, the outsourcing transaction will be economically beneficial to the Issuer and its Restricted Subsidiaries (considered as a whole);

(19) a disposition that is made in connection with the establishment of a joint venture or sales, transfers and other dispositions of Investments in joint ventures to the extent required by or made pursuant to, customary buy/sell arrangements between the joint venture parties set forth in joint venture agreements and similar binding agreements; provided that any cash or Cash Equivalents received in such sale, transfer or other disposition is applied in accordance with the "—Certain covenants—Limitation on sales of assets and subsidiary stock" covenant; and

(20) any dispositions of Capital Stock, properties or assets in a single transaction or series of related transactions with a fair market value (as determined in good faith by a member of senior management or the Board of Directors of the Issuer) of less than the greater of (x) €27 million and (y) 6% of Consolidated EBITDA.

"**Associate**" means (i) any Person engaged in a Similar Business of which the Issuer or its Restricted Subsidiaries are the legal and beneficial owners of between 20% and 50% of all outstanding Voting Stock and (ii) any joint venture engaged in a Similar Business entered into by the Issuer or any Restricted Subsidiary.

"**Board of Directors**" means (1) with respect to the Issuer or any corporation, the board of directors or managers or the supervisory board, as applicable, of the corporation, or any duly authorized committee thereof; (2) with respect to any partnership, the board of directors or other governing body of the general partner of the partnership or any duly authorized committee thereof; and (3) with respect to any other Person, the board or any duly authorized committee of such Person serving a similar function. Whenever any provision of the Indenture requires any action or determination to be made by, or any approval of, a Board of Directors, such action, determination or approval shall be deemed to have been taken or made if approved by a majority of the directors (excluding employee representatives, if any) on any such Board of Directors (whether or not such action or approval is taken as part of a formal board meeting or as a formal board approval). The obligations of the "Board of Directors of the Issuer" under the Indenture may be exercised pursuant by the Board of Directors of a Restricted Subsidiary or a Parent Entity pursuant to a delegation of powers of the Board of Directors of the Issuer.

"**Bund Rate**" means, as of any redemption date, the rate per annum (subject to a 0% floor) equal to the equivalent yield to maturity as of such redemption date of the Comparable German Bund Issue, assuming a price for the Comparable German Bund Issue (expressed as a percentage of its principal amount) equal to the Comparable German Bund Price for such relevant date, where:

(a) "**Comparable German Bund Issue**" means 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 5, 2025, 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 5, 2025, *provided*, *however*, that, if the period from such redemption date to February 5, 2025 is less than one year, a fixed maturity of one year shall be used;

(b) "**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;

(c) "**Reference German Bund Dealer**" means any dealer of German *Bundesanleihe* securities appointed by a member of senior management or the Board of Directors of the Issuer in good faith; and

(d) "**Reference German Bund Dealer Quotations**" means, with respect to each Reference German Bund Dealer and any relevant date, the average as determined by the 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 am Main, Germany time on the third Business Day that is also a business day in Germany preceding the relevant date.

"**Business Day**" means each day that is not a Saturday, Sunday or other day on which banking institutions in Paris, France, London, United Kingdom or Luxemburg, Grand Duchy of Luxembourg are authorized or required by law to close and, with respect to payments to be made under the Indenture, other than any day which is not a TARGET Settlement Day.

"**Capital Stock**" of any Person means any and all shares of, rights to purchase, warrants or options for, or other equivalents of, or partnership or other interests in (however designated), equity of such Person, including any Preferred Stock, but excluding any debt securities convertible into such equity.

"**Capitalized Lease Obligations**" means, at the time any determination thereof is to be made, the amount of the liability in respect of a capital lease that would at such time be required to be capitalized and reflected as a liability on a balance sheet (excluding the footnotes thereto) in accordance with IFRS. The amount of Indebtedness represented by such obligation will be the capitalized amount of such obligation at the time any determination thereof is to be made as determined on the basis of IFRS, and the Stated Maturity thereof will be the date of the last payment of rent or any other amount due under such lease prior to the first date such lease may be terminated without penalty.

"**Cash Equivalents**" means:

(1) securities issued or directly and fully Guaranteed or insured by a member state of the European Union, United Kingdom, Norway, Switzerland, Canada, the United States of America, any State of the United States or the District of Columbia, in each case, any agency or instrumentality of thereof (*provided* that the full faith and credit of such country or such member state is pledged in support thereof), having maturities of not more than two years from the date of acquisition;

(2) certificates of deposit, time deposits, eurodollar time deposits, overnight bank deposits or bankers' acceptances having maturities of not more than one year from the date of acquisition thereof issued by any lender party to the Revolving Credit Facility or by any bank or trust company (a) whose commercial paper is rated at least "A-1" or the equivalent thereof by S&P or at least "P-1" or the equivalent thereof by Moody's (or if at the time neither is issuing comparable ratings, then a comparable rating of another Nationally Recognized Statistical Rating Organization) or (b) (in the event that the bank or trust company does not have commercial paper which is rated) having combined capital and surplus in excess of €250 million;

(3) repurchase obligations with a term of not more than 30 days for underlying securities of the types described in clauses (1) and (2) entered into with any bank meeting the qualifications specified in clause (2) above;

(4) commercial paper rated at the time of acquisition thereof at least "A-2" or the equivalent thereof by S&P or "P-2" or the equivalent thereof by Moody's or carrying an equivalent rating by a Nationally Recognized Statistical Rating Organization, if both of the two named rating agencies cease publishing ratings of investments or, if no rating is available in respect of the commercial paper, the issuer of which has an equivalent rating in respect of its long-term debt, and in any case maturing within one year after the date of acquisition thereof;

(5) readily marketable direct obligations issued by a member state of the European Union, United Kingdom, Norway, Switzerland, Canada, the United States of America, any State of the United States or the District of Columbia or any political subdivision thereof, in each case, having one of the two highest rating categories obtainable from

either Moody's or S&P (or, if at the time, neither is issuing comparable ratings, then a comparable rating of another Nationally Recognized Statistical Rating Organization) with maturities of not more than two years from the date of acquisition;

(6) Indebtedness or preferred stock issued by Persons with a rating of "BBB-" or higher from S&P or "Baa3" or higher from Moody's (or, if at the time, neither is issuing comparable ratings, then a comparable rating of another Nationally Recognized Statistical Rating Organization) with maturities of 12 months or less from the date of acquisition;

(7) bills of exchange issued in a member state of the European Union, Norway, Switzerland, Canada, the United States of America, any State of the United States or the District of Columbia, eligible for rediscount at the relevant central bank and accepted by a bank (or any dematerialized equivalent); and

(8) interests in any investment company, money market or enhanced high yield fund which invests 95% or more of its assets in instruments of the type specified in clauses (1) through (7) above.

"**Change of Control**" means:

(1) the Issuer becomes aware of (by way of a report or any other filing pursuant to any regulatory filing, proxy, vote, written notice or otherwise) any "person" or "group" of related persons (as such terms are used in Sections 13(d) and 14(d) of the Exchange Act as in effect on the Issue Date), other than one or more Permitted Holders, is or becomes the "beneficial owner" (as defined in Rules 13d-3 and 13d-5 under the Exchange Act as in effect on the Issue Date), directly or indirectly, of more than 50% of the total voting power of the Voting Stock of the Issuer; *provided* that for the purposes of this clause (x) no Change of Control shall be deemed to occur by reason of the Issuer becoming a Subsidiary of a Successor Parent and (y) any Voting Stock of which any Permitted Holder is the "beneficial owner" (as so defined) (other than deemed beneficial ownership derived from membership in a group) shall not be included in any Voting Stock of which any such person or group is the "beneficial owner" (as so defined), unless that person or group is not an Affiliate of a Permitted Holder and has the sole voting power with respect to that Voting Stock; or

(2) the sale, lease, transfer, conveyance or other disposition (other than by way of merger, consolidation or other business combination transaction), in one or a series of related transactions, of all or substantially all of the assets of the Issuer and its Restricted Subsidiaries taken as a whole to a Person, other than a Restricted Subsidiary or one or more Permitted Holders;

provided that, in each case, a Change of Control shall not be deemed to have occurred if such Change of Control is also a Specified Change of Control Event.

Notwithstanding the preceding or any provision of Rule 13d-3 and Rule 13d-5 under the Exchange Act, 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.

"**Clearstream**" means Clearstream Banking S.A. or any successor securities clearing agency thereof. "**Code**" means the United States Internal Revenue Code of 1986, as amended.

"**Collateral**" means the property and assets of the Issuer or any other Person over which a Lien has been granted to secure the obligations of, as applicable, the Issuer under the Notes and the Indenture and the Guarantors under the Notes Guarantees, in each case pursuant to the Security Documents (other than any assets described in clause (21) of the definition of "Permitted Liens" securing Additional Notes).

"**Commodity Hedging Agreements**" means, in respect of a Person, any commodity purchase contract, commodity futures or forward contract, commodities option contract or other similar contract (including commodities derivative agreements or arrangements), to which such Person is a party or a beneficiary.

"**Consolidated EBITDA**" for any period means, without duplication, the Consolidated Net Income for such period, *plus* the following to the extent deducted in calculating such Consolidated Net Income:

(1) Consolidated Interest Expense and Receivables Fees;

(2) Consolidated Income Taxes;

(3) consolidated depreciation expense;

(4) consolidated amortization and impairment expense;

(5) any expenses, charges or other costs related to any Equity Offering, Investment, acquisition (including amounts paid in connection with the acquisition or retention of one or more individuals comprising part of a management team retained to manage the acquired business; provided that such payments are made at the time of such acquisition and are consistent with the customary practice in the industry at the time of such acquisition), joint venture, disposition, recapitalization or the Incurrence of any Indebtedness permitted by the Indenture or any amendment, waiver, consent or modification to any document governing such Indebtedness (whether or not successful) (including any such fees, expenses or charges related to the Transactions (including any expenses in connection with related due diligence activities)), any management equity or stock option plan, any management or employee benefit plan, any stock subscription of any shareholders agreement, in each case, as determined in good faith by a member of senior management or the Board of Directors of the Issuer;

(6) the amount of management, monitoring, consulting and advisory fees and related expenses paid in such period to the Permitted Holders to the extent not prohibited by the "*—Certain covenants—Limitation on Affiliate Transactions*" covenant;

(7) any minority interest expense (whether paid or not) consisting of income attributable to minority equity interests of third parties in such period or any prior period or any net earnings, income or share of profit of any Associates, associated company or undertaking;

(8) other non-cash charges, write downs or items reducing Consolidated Net Income or other items classified by the Issuer as non-cash extraordinary, one-off, non-recurring, exceptional or unusual items less other non-cash items of income increasing Consolidated Net Income (other than any non-cash items increasing such Consolidated Net Income pursuant to clauses (1) through (15) of the definition of "Consolidated Net Income");

(9) payments received or that become receivable with respect to expenses that are covered by the indemnification provisions in any agreement entered into by such Person in connection with an acquisition to the extent such expenses were included in computing Consolidated Net Income; and

(10) to the extent not already otherwise included herein, adjustments and add-backs similar to those made in calculating "Acquisition Adjusted EBITDA" included in these listing particulars.

For the purposes of determining "Consolidated EBITDA" for any basket or ratio under the Indenture on any date of determination, Consolidated EBITDA shall be calculated for the period of the most recent four consecutive fiscal quarters for which internal financial statements of the Issuer are available immediately preceding such date of determination and *pro forma* effect shall be given to Consolidated EBITDA on the same basis as for calculating the Consolidated Net Leverage Ratio for the Issuer and its Restricted Subsidiaries.

"**Consolidated Financial Interest Expense**" means, for any period (in each case, determined on the basis of IFRS), the sum of:

(1) consolidated net interest income/expense of the Issuer related to Indebtedness (including (a) amortization of debt discount, (b) all commissions, discounts and other fees and charges owed with respect to letters of credit or bankers acceptances, (c) the interest component of Capitalized Lease Obligations, and (d) net payments, if any, pursuant to interest rate Hedging Obligations with respect to Indebtedness) but not including any pension liability interest cost, debt issuance cost and premium, commissions, discounts and other fees and charges owed or paid with respect to financings, or costs associated with Hedging Obligations (other than those described in (d));

(2) dividends on other distributions in respect of all Disqualified Stock of the Issuer and all Preferred Stock of any Restricted Subsidiary, to the extent held by Persons other than the Issuer or a subsidiary of the Issuer; and

(3) any interest on Indebtedness of another Person that is Guaranteed by a member of the Group or secured by a Lien on assets of a member of the Group or in respect of any Parent Debt to the extent paid by a member of the Group;

provided that, for avoidance of doubt, such interest shall include, without double counting, all amounts paid pursuant to clause (17) of the definition of "Permitted Payments."

"**Consolidated Income Taxes**" means Taxes or other payments, including deferred Taxes, based on income, profits or capital (including without limitation withholding Taxes, corporation Taxes, trade Taxes and franchise Taxes) of any member of the Group whether or not paid, estimated, accrued or required to be remitted to any governmental authority.

"**Consolidated Interest Expense**" means, for any period (in each case, determined on the basis of IFRS), the consolidated net interest income/expense of the Issuer, whether paid or accrued, *plus* or including (without duplication) any interest, costs and charges consisting of:

(1) interest expense attributable to Capitalized Lease Obligations and the interest component of deferred payment obligations;

(2) amortization of debt discount, amortization of debt issuance costs, fees, premium and expenses and the expensing of any financing fees;

(3) non-cash interest expense;

(4) the net payments (if any) of Interest Rate Agreements and Currency Agreements (excluding amortization of fees and discounts and unrealized gains and losses, costs associated with Hedging Obligations (including termination payments) and foreign currency losses and any Receivables Fees);

(5) dividends on other distributions in respect of all Disqualified Stock of the Issuer and all Preferred Stock of any Restricted Subsidiary, to the extent held by Persons other than the Issuer or a subsidiary of the Issuer;

(6) the consolidated interest expense that was capitalized during such period; and

(7) any interest on Indebtedness of another Person that is Guaranteed by a member of the Group or secured by a Lien on assets of a member of the Group or in respect of any Parent Debt to the extent paid by a member of the Group; provided that, for avoidance of doubt, such interest shall include, without double counting, all amounts paid pursuant to clause (17) of the definition of "Permitted Payments."

"**Consolidated Net Income**" means, for any period, the net income (loss) of the Issuer determined on a consolidated basis on the basis of IFRS; *provided*, *however*, that there will not be included in such Consolidated Net Income:

(1) subject to the limitations contained in clause (2) below, any net income (loss) of any Person if such Person is not the Issuer or a Restricted Subsidiary, except that the Issuer's equity in the net income of any such Person for such period will be included in such Consolidated Net Income up to the aggregate amount of cash or Cash Equivalents actually distributed by such Person during such period to a member of the Group as a dividend or other distribution or return on investment (subject, in the case of a dividend or other distribution or return on investment to a Restricted Subsidiary, to the limitations contained in clause (2) below);

(2) solely for the purpose of determining the amount available for Restricted Payments under clause (c)(i) of the first paragraph of the "*—Certain covenants—Limitation on Restricted Payments*" covenant, any net income (loss) of any Restricted Subsidiary (other than a Guarantor) if such Subsidiary is subject to restrictions, directly or indirectly, on the payment of dividends or the making of distributions by such Restricted Subsidiary, directly or indirectly, to the Issuer by operation of the terms of such Restricted Subsidiary's charter or any agreement, instrument, judgment, decree, order, statute or governmental rule or regulation applicable to such Restricted Subsidiary or its shareholders (other than (a) restrictions that have been waived or otherwise released, (b) restrictions pursuant to the Notes, the Indenture, the 2026 Notes, the 2026 Indenture, the 2027 Notes, the 2027 Indenture, the Revolving Credit Facility Agreement, the Security Documents, the Intercreditor Agreement or any Additional Intercreditor Agreement, (c) contractual restrictions in effect on the Issue Date with respect to such Restricted Subsidiary, and other restrictions with respect to such Restricted Subsidiary that, taken as a whole, are not materially less favorable to the Holders than such restrictions in effect on the Issue Date and (d) restrictions not prohibited by the "*—Certain covenants—Limitation on restrictions on distributions from Restricted Subsidiaries*" covenant) except that the Issuer's equity in the net income of any such Restricted Subsidiary for such period will be included in such Consolidated Net Income up to the aggregate amount of cash or Cash

Equivalents or non-cash distributions to the extent converted into cash or Cash Equivalents actually distributed or that could have been distributed by such Restricted Subsidiary during such period to a member of the Group as a dividend or other distribution (subject, in the case of a dividend to another Restricted Subsidiary, to the limitation contained in this clause);

(3) any net gain (or loss) realized upon the sale, abandonment or other disposition of any asset or disposed operations of any member of the Group (including pursuant to any sale/leaseback transaction) which is not sold or otherwise disposed of in the ordinary course of business (as determined in good faith by a member of senior management or the Board of Directors of the Issuer);

(4) any extraordinary, one-off, non-recurring, exceptional or unusual gain, loss, expense or charge, including any charges or reserves in respect of any restructuring, redundancy, relocation, refinancing, integration or severance or other post-employment arrangements, signing, retention or completion bonuses, transaction costs (including costs related to the Transactions or any investments), acquisition costs, business optimization, start up (including entry into new markets/channels and new product offerings), ramp up, system establishment, software or information technology implementation or development costs, costs related to or resulting from governmental or regulatory investigations and curtailments or modifications to pension or post-retirement benefits schemes, litigation or any asset impairment charges or the financial impacts of natural disasters (including fire, flood and storm and related events);

(5) the cumulative effect of a change in accounting principles;

(6) any non-cash compensation charge or expense arising from any grant of stock, stock options or other equity based awards and any non-cash deemed finance charges in respect of any pension liabilities or other provision, any non-cash net after tax gains or losses attributable to the termination or modification of any employee pension benefit plan and any charge or expense relating to any payment made to holders of equity-based securities or rights in respect of any dividend sharing provisions of such securities or rights to the extent such payment was made pursuant to the covenant described under "*—Certain covenants—Limitation on Restricted Payments*";

(7) all deferred financing costs written off and premiums paid or other expenses Incurred directly in connection with any early extinguishment of Indebtedness and any net gain (loss) from any write-off or forgiveness of Indebtedness;

(8) any unrealized gains or losses in respect of Hedging Obligations or any ineffectiveness recognized in earnings related to qualifying hedge transactions or the fair value of changes therein recognized in earnings for derivatives that do not qualify as hedge transactions, in each case, in respect of Hedging Obligations;

(9) any unrealized foreign currency transaction gains or losses in respect of Indebtedness of any Person denominated in a currency other than the functional currency of such Person and any unrealized foreign exchange gains or losses relating to translation of assets and liabilities denominated in foreign currencies;

(10) any unrealized foreign currency translation or transaction gains or losses in respect of Indebtedness or other obligations of the Issuer or any member of the Group owing to a member of the Group;

(11) any effects of purchase accounting including, but not limited to, adjustments to inventory, property and equipment, software and other intangible assets and deferred revenues in component amounts required or permitted by IFRS and related authoritative pronouncements (including the effects of such adjustments pushed down to a member of the Group), as a result of any consummated acquisition (either prior to or after the Issue Date) or the amortization or write-off of any amounts thereof (including any write-off of in process research and development);

(12) any goodwill or other intangible asset impairment, charge or write-off;

(13) any capitalized, accrued or accreting or pay-in-kind interest or principal on Subordinated Shareholder Funding;

(14) consolidated depreciation and amortization expense to the extent in excess of net capital expenditures for such period, and Consolidated Income Taxes to the extent in excess of cash payments made in respect of such Consolidated Income Taxes; and

(15) to the extent covered by insurance and actually reimbursed, or, so long as the Issuer has made a determination that there exists reasonable evidence that such amount will in fact be reimbursed by the insurer and only to the extent that such amount is (a) not denied by the applicable carrier in writing within 180 days and (b) in fact reimbursed within 365 days of the date of such evidence (with a deduction for any amount so added back to the extent not so reimbursed within 365 days), losses with respect to business interruption.

"**Consolidated Net Leverage**" means the sum of the aggregate outstanding Indebtedness of the Group (excluding Hedging Obligations) *less* cash and Cash Equivalents of the Group (other than cash or Cash Equivalents received upon the Incurrence of Indebtedness by the Group and not immediately or subsequently applied or used for any purpose not prohibited by the Indenture), as of the relevant date of calculation on a consolidated basis on the basis of IFRS.

"**Consolidated Net Leverage Ratio**" means, as of any date of determination, the ratio of (x) the sum of (a) the Consolidated Net Leverage at such date and (b) the Reserved Indebtedness Amount at such date to (y) the aggregate amount of Consolidated EBITDA for the period of the most recent four consecutive fiscal quarters ending prior to the date of such determination for which internal consolidated financial statements of the Issuer are available immediately preceding the date of determination; *provided*, *however*, that (other than in connection with making any Restricted Payment pursuant to clause (19)(ii) of the third paragraph of the covenant described under "*—Certain covenants—Limitation on Restricted Payments*") the *pro forma* calculation of the Consolidated Net Leverage Ratio shall not give effect to (i) any Indebtedness Incurred on the date of determination pursuant to the provisions described in the second paragraph under "*—Certain covenants—Limitation on Indebtedness*" (other than Indebtedness Incurred pursuant to clause (5)(B) of such second paragraph) or (ii) the discharge on the date of determination of any Indebtedness to the extent that such discharge results from the proceeds of Indebtedness Incurred pursuant to the provisions described in the second paragraph under "*—Certain covenants—Limitation on Indebtedness*"; *provided*, *further*, *however*, that for the purposes of calculating Consolidated EBITDA for such period, if, as of such date of determination:

(1) since the beginning of such period, a member of the Group has disposed of any company, any business, or any group of assets constituting an operating unit of a business (any such disposition, a "**Sale**") or if the transaction giving rise to the need to calculate the Consolidated Net Leverage Ratio is such a Sale, Consolidated EBITDA for such period will be reduced by an amount equal to the Consolidated EBITDA (if positive) attributable to the assets which are the subject of such Sale for such period or increased by an amount equal to the Consolidated EBITDA (if negative) attributable thereto for such period; *provided* that if any such Sale constitutes "discontinued operations" in accordance with IFRS, Consolidated Net Income shall be reduced by an amount equal to the Consolidated Net Income (if positive) attributable to such operations for such period or increased by an amount equal to the Consolidated Net Income (if negative) attributable thereto for such period;

(2) since the beginning of such period, a member of the Group (by merger or otherwise) has made an Investment in any Person that thereby becomes a Restricted Subsidiary, or otherwise has acquired any company, any business, or any group of assets constituting an operating unit of a business (any such Investment or acquisition, a "**Purchase**"), including any such Purchase occurring in connection with a transaction causing a calculation to be made hereunder, Consolidated EBITDA for such period will be calculated after giving *pro forma* effect thereto, including anticipated synergies and expenses and cost reductions calculated as if such Purchase occurred on the first day of such period;

(3) since the beginning of such period, any Person (that became a Restricted Subsidiary or was merged or otherwise combined with or into a member of the Group since the beginning of such period) will have made any Sale or any Purchase that would have required an adjustment pursuant to clause (1) or (2) above if made by a member of the Group since the beginning of such period, Consolidated EBITDA for such period will be calculated after giving *pro forma* effect thereto, including, with respect to any Purchase by such Person, anticipated synergies and expenses and cost reductions as if such Sale or Purchase occurred on the first day of such period; and

(4) for the purposes of making the determination pursuant to the definition of "Specified Change of Control Event," Consolidated EBITDA for such period shall be calculated after giving *pro forma* effect to such event constituting a "Specified Change of Control Event," including any equity injection accruing simultaneously with such Specified Change of Control, anticipated synergies and expenses and cost savings as if such event had occurred on the first day of such period.

For the purposes of this definition and the definitions of Consolidated EBITDA, Consolidated Income Taxes, Consolidated Interest Expense, Consolidated Net Income, Consolidated Senior Secured Net Leverage Ratio and Fixed Charge Coverage Ratio, (a) 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 and synergies as though the full effect of the synergies and cost savings were realized on the first day of the relevant period) and shall also include the reasonably anticipated full run rate cost savings effect (as calculated in good faith by a responsible financial or chief accounting officer of the Issuer) of cost savings programs that have been initiated by a member of the Group as though such cost savings programs had been fully implemented on the first day of the relevant period (regardless of whether these cost savings and cost reduction synergies could then be reflected in *pro forma* financial statements to the extent prepared); *provided* that such anticipated expense and cost reductions and synergies and cost savings (i) shall not exceed 20% of Consolidated EBITDA in the aggregate in any relevant period; and (ii) shall be limited to those that are reasonably achievable within 24 months after the consummation of the cost savings program, any operational change or the Purchase or Sale which is expected to result in such anticipated expense and cost reductions and synergies and cost savings, and (b) 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 as if such transaction had occurred on the first day of the relevant period; *provided*, that, in making such computation, the amount of Indebtedness under any revolving credit facility or overdraft facility shall be computed based upon the average daily balance of such Indebtedness during such period.

"**Consolidated Senior Secured Net Leverage**" means the sum of the aggregate outstanding Senior Secured Indebtedness of the Group (excluding Hedging Obligations) *less* cash and Cash Equivalents of the Issuer and its Restricted Subsidiaries (other than cash or Cash Equivalents received upon the Incurrence of Indebtedness by the Group and not immediately or subsequently applied or used for any purpose not prohibited by the Indenture), as of the relevant date of calculation on a consolidated basis on the basis of IFRS.

"**Consolidated Senior Secured Net Leverage Ratio**" means, as of any date of determination, the ratio of (x) the sum of (a) the Consolidated Senior Secured Net Leverage at such date and (b) the Reserved Indebtedness Amount that constitutes Senior Secured Indebtedness to (y) Consolidated EBITDA, calculated and determined in a manner consistent with the provisions of the definition of "Consolidated Net Leverage Ratio."

"**Contingent Obligations**" means, with respect to any Person, any obligation of such Person Guaranteeing in any manner, whether directly or indirectly, any operating lease, dividend or other obligation that does not constitute Indebtedness ("**primary obligations**") of any other Person (the "**primary obligor**"), including any obligation of such Person, whether or not contingent:

(1) to purchase any such primary obligation or any property constituting direct or indirect security therefor;

(2) to advance or supply funds:

(a) for the purchase or payment of any such primary obligation; or

(b) to maintain the working capital or equity capital of the primary obligor or otherwise to maintain the net worth or solvency of the primary obligor; or

(3) to purchase property, securities or services primarily for the purpose of assuring the owner of any such primary obligation of the ability of the primary obligor to make payment of such primary obligation against loss in respect thereof.

"**Credit Facility**" means, with respect to the Issuer or any of its Subsidiaries, one or more debt facilities, arrangements, instruments or indentures (including the Revolving Credit Facility or commercial paper facilities and overdraft facilities) with banks, institutions or investors providing for revolving credit loans, term loans, receivables financing (including through the sale of receivables to such institutions or to special purpose entities formed to borrow from such institutions against such receivables), notes, letters of credit or other Indebtedness, in each case, as amended, restated, modified, renewed, refunded, replaced, restructured, refinanced, repaid, increased or extended in whole or in part from time to time (and whether in whole or in part and whether or not with the original administrative agent and lenders or another administrative agent or agents or other banks, institutions or investors and whether provided under the original Revolving Credit Facility or one or more other credit or other agreements, indentures, financing agreements or otherwise) and in each case including all agreements, instruments and documents executed and delivered pursuant to or in connection with the foregoing (including any notes and letters of credit issued pursuant thereto and any Guarantee and collateral agreement, patent and trademark security agreement, mortgages or letter of credit applications and other Guarantees, pledges, agreements, security agreements and collateral documents). Without limiting the generality of the foregoing, the term "Credit Facility" shall include any agreement or instrument which otherwise qualifies as a "Credit Facility" (1)

changing the maturity of any Indebtedness Incurred thereunder or contemplated thereby, (2) adding Subsidiaries of the Issuer as additional borrowers or guarantors thereunder, (3) increasing the amount of Indebtedness Incurred thereunder or available to be borrowed thereunder or (4) otherwise altering the terms and conditions thereof.

"**Currency Agreement**" means, in respect of a Person, any foreign exchange contract, currency swap agreement, currency futures contract, currency option contract, currency derivative or other similar agreement to which such Person is a party or beneficiary.

"**Default**" means any event which is, or after notice or passage of time or both would be, an Event of Default.

"**DI**" means Dentressangle, a *société par actions simplifiée* having its registered office at 30 bis rue Saint-Hélène, 69002 Lyon, and registered in France under sole identification number 492 792 973 RCS Lyon.

"**Designated Non-Cash Consideration**" means the fair market value (as determined in good faith by a member of senior management or the Board of Directors of the Issuer) of non-cash consideration received by the Issuer or one of its Restricted Subsidiaries in connection with an Asset Disposition that is so designated as Designated Non-Cash Consideration pursuant to an Officer's Certificate, setting forth the basis of such valuation, *less* the amount of cash, Cash Equivalents or Temporary Cash Investments received in connection with a subsequent payment, redemption, retirement, sale or other disposition of such Designated Non-Cash Consideration. A particular item of Designated Non-Cash Consideration will no longer be considered to be outstanding when and to the extent it has been paid, redeemed or otherwise retired or sold or otherwise disposed of in compliance with the "*—Certain covenants—Limitation on sales of assets and subsidiary stock*" covenant.

"**Designated Preference Shares**" means, with respect to the Issuer or any Parent Entity, Preferred Stock (other than Disqualified Stock) (a) that is issued for cash (other than to the Issuer or a Subsidiary of the Issuer or an employee stock ownership plan or trust established by the Issuer or any such Subsidiary for the benefit of their employees to the extent funded by the Issuer or such Subsidiary) and (b) that is designated as "Designated Preference Shares" pursuant to an Officer's Certificate of the Issuer at or prior to the issuance thereof, the Net Cash Proceeds of which are excluded from the calculation set forth in clause (c)(ii) of the first paragraph of the "*—Certain covenants—Limitation on Restricted Payments*" covenant.

"**Disqualified Stock**" means, with respect to any Person, any Capital Stock of such Person which by its terms (or by the terms of any security into which it is convertible or for which it is exchangeable) or upon the happening of any event:

(1) matures or is mandatorily redeemable for cash or in exchange for Indebtedness pursuant to a sinking fund obligation or otherwise;

(2) is convertible or exchangeable for Indebtedness or Disqualified Stock (excluding Capital Stock which is convertible or exchangeable solely at the option of the Issuer or a Restricted Subsidiary); or

(3) is or may become (in accordance with its terms) upon the occurrence of certain events or otherwise redeemable or repurchasable for cash or in exchange for Indebtedness at the option of the holder of the Capital Stock in whole or in part,

in each case on or prior to the earlier of (a) the Stated Maturity of the Notes or (b) the date on which there are no Notes outstanding; *provided*, *however*, that (i) only the portion of Capital Stock which so matures or is mandatorily redeemable, is so convertible or exchangeable or is so redeemable at the option of the holder thereof prior to such date will be deemed to be Disqualified Stock and (ii) any Capital Stock that would constitute Disqualified Stock solely because the holders thereof have the right to require the Issuer to repurchase such Capital Stock upon the occurrence of a change of control or asset sale (howsoever defined or referred to) shall not constitute Disqualified Stock if any such redemption or repurchase obligation is subject to compliance by the relevant Person with the "*—Certain covenants—Limitation on Restricted Payments*" covenant.

"**Equity Offering**" means a public or private sale of (x) Capital Stock of the Issuer or (y) Capital Stock or other securities of a Parent Entity, the proceeds of which are contributed as Subordinated Shareholder Funding or to the equity of the Issuer or any of its Restricted Subsidiaries, in each case other than:

(1) Disqualified Stock or Designated Preference Shares;

(2) offerings registered on Form S-8 (or any successor form) under the Securities Act or any similar offering in other jurisdictions;

(3) any such sale that constitutes an Excluded Contribution or Excluded Amount; and

(4) any such sale the proceeds of which are utilized pursuant to clause (11) of the second paragraph of the covenant described under "*—Certain covenants—Limitation on Indebtedness*."

"**Euro Equivalent**" means, with respect to any monetary amount in a currency other than euro, at any time of determination thereof by the Issuer or the Trustee, the amount of euro obtained by converting such currency other than euro involved in such computation into euro at the spot rate for the purchase of euro with the applicable currency other than euro as published in *The Financial Times* in the "Currency Rates" section (or, if *The Financial Times* is no longer published, or if such information is no longer available in *The Financial Times*, such source as may be selected in good faith by a member of senior management or the Board of Directors of the Issuer) on the date of such determination.
"**Euroclear**" means Euroclear Bank SA/NV or any successor securities clearing agency thereof.

"**European Government Obligations**" means (1) direct obligations of, or obligations Guaranteed by, a member state of the European Union, and the payment for which such member state of the European Union pledges its full faith and credit or (2) an obligation of a person controlled or supervised by and acting as an agency or instrumentality of any such country the payment of which is unconditionally guaranteed as a full faith and credit obligation by such country, which, in either case under the preceding clause (1) or (2), is payable in euro and is not callable or redeemable at the option of the issuer thereof.

"**European Union**" means the European Union as of the Issue Date.

"**Exchange Act**" means the U.S. Securities Exchange Act of 1934, as amended, and the rules and regulations of the SEC promulgated thereunder, as amended.

"**Excluded Contribution**" means Net Cash Proceeds or property or assets received by the Issuer as capital contributions to the equity (other than through the issuance of Disqualified Stock or Designated Preference Shares or Excluded Amounts) of the Issuer after the Issue Date or from the issuance or sale (other than to a Restricted Subsidiary or an employee stock ownership plan or trust established by the Issuer or any Subsidiary of the Issuer for the benefit of its employees to the extent funded by the Issuer or any Restricted Subsidiary) of Capital Stock (other than Disqualified Stock or Designated Preference Shares or Excluded Amounts) or Subordinated Shareholder Funding of the Issuer, in each case, to the extent designated as an Excluded Contribution pursuant to an Officer's Certificate of the Issuer.

"**Existing Convertible Bonds**" means the convertible bonds issued on February 15, 2018 to certain direct or indirect shareholders of the Issuer.

"**Existing Proceeds Loans**" means the intercompany loans in an aggregate amount as of the Issue Date (i) made available by the Issuer to Kiloutou S.A.S. and (ii) made available by the Issuer to Kiloutou Danmark ApS.

"**fair market value**" wherever such term is used in this "*Description of the Notes*" or the Indenture (except in relation to an enforcement action or certain distressed disposals pursuant to the Intercreditor Agreement, and any Additional Intercreditor Agreement and except as otherwise specifically provided in this "*Description of the Notes*" or the Indenture), means, with respect to any asset or property, the sale value that would be obtained in an arm's length free market transaction between an informed and willing seller under no compulsion to sell and an informed and willing buyer under no compulsion to buy, as determined in good faith by a member of senior management or the Board of Directors of the Issuer.

"**Fitch**" means Fitch Ratings, Inc. or any of its successors or assigns that is a Nationally Recognized Statistical Rating Organization.

"**Fixed Charge Coverage Ratio**" means, for any period, the ratio of Consolidated EBITDA to Consolidated Financial Interest Expense, calculated and determined in a manner consistent with the provisions of the definition of "Consolidated Net Leverage Ratio." In addition:

(1) If any Indebtedness bears a floating rate of interest and is being given *pro forma* effect, the interest expense on such Indebtedness will be calculated as if the rate in effect on the relevant calculation date had been the applicable rate for the entire period (taking into account any Hedging Obligation applicable to such Indebtedness for a period equal to the remaining term of such Indebtedness);

(2) Interest on a Capitalized 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 Capitalized

Lease Obligation in accordance with IFRS; and

(3) the Consolidated Financial Interest Expense attributable to discontinued operations, as determined in accordance with IFRS, and operations or businesses (and ownership interests therein) disposed of prior to the relevant calculation date, will be excluded on a *pro forma* basis as if such disposition occurred on the first day of such period, but only to the extent that the obligations giving rise to such Consolidated Financial Interest Expense will not be obligations of the Issuer or any of its Restricted Subsidiaries following the relevant calculation date.

"**Group**" means the Issuer and the Restricted Subsidiaries.

"**Guarantee**" means any obligation, contingent or otherwise, of any Person directly or indirectly guaranteeing any Indebtedness of any other Person, including any such obligation, direct or indirect, contingent or otherwise, of such Person:

(1) to purchase or pay (or advance or supply funds for the purchase or payment of) such Indebtedness of such other Person (whether arising by virtue of partnership arrangements, or by agreements to keep-well, to purchase assets, goods, securities or services, to take-or-pay or to maintain financial statement conditions or otherwise); or

(2) entered into primarily for purposes of assuring in any other manner the obligee of such Indebtedness of the payment thereof or to protect such obligee against loss in respect thereof (in whole or in part);

provided, *however*, that the term "Guarantee" will not include endorsements for collection or deposit in the ordinary course of business. The term "Guarantee" used as a verb has a corresponding meaning.

"**Hedging Obligations**" of any Person means the obligations of such Person pursuant to any Interest Rate Agreement, Currency Agreement or Commodity Hedging Agreement.

"**HLD Associés Europe**" means a *société en commandite par actions* incorporated in the Grand Duchy of Luxembourg having its registered office at 9 Boulevard Prince Henri Luxembourg, L-1724 Luxembourg, and registered with the Luxembourg Trade Registry under number B197552.

"**HLDE**" means HLD Europe, a *société en commandite par actions* incorporated in the Grand Duchy of Luxembourg having its registered office at 9 Boulevard Prince Henri Luxembourg, L-1724 Luxembourg, and registered with the Luxembourg Trade Registry under number B198109 and having HLD Associés Europe as its manager (*gérant commandité*).

"**HLDI**" means HLDI, a French *société par actions simplifiée* having its registered office at 30 bis rue Sainte-Hélène, 69002 Lyon and registered in France under sole identification number 815 068 903 RCS Lyon.

"**Holder**" means each Person in whose name the Notes are registered on the Registrar's books, which shall initially be the respective nominee of the common depositary for Euroclear or Clearstream, as applicable.

"**IFRS**" means the International Financial Reporting Standards promulgated by the International Accounting Standards Board or any successor board or agency as endorsed by the European Union as in effect from time to time; *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 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, consolidation, acquisition or otherwise) will be deemed to be Incurred by such Restricted Subsidiary at the time it becomes a Restricted Subsidiary and the terms "Incurred," "Incurring" and "Incurrence" have meanings correlative to the foregoing and any Indebtedness pursuant to any revolving credit or similar facility shall only be "Incurred" at the time any funds are borrowed thereunder, subject to the definition of "Reserved Indebtedness Amount" and related provisions and the provisions described under "*—Certain covenants—Financial calculations*."

"**Indebtedness**" means, with respect to any Person on any date of determination (without duplication):

(1) the principal of indebtedness of such Person for borrowed money;

(2) the principal of obligations of such Person evidenced by bonds, debentures, notes or other similar instruments;

(3) all reimbursement obligations of such Person in respect of letters of credit, bankers' acceptances or other similar instruments (the amount of such obligations being equal at any time to the aggregate then undrawn and unexpired amount of such letters of credit or other instruments *plus* the aggregate amount of drawings thereunder that have been reimbursed) (except to the extent such reimbursement obligations relate to trade payables and such obligations are satisfied within 60 days of Incurrence);

(4) the principal component of all obligations of such Person to pay the deferred and unpaid purchase price of property (except trade payables), which purchase price is due more than one year after the date of placing such property in service or taking final delivery and title thereto;

(5) Capitalized Lease Obligations of such Person;

(6) the principal component of all obligations, or liquidation preference, of such Person with respect to any Disqualified Stock or, with respect to any Restricted Subsidiary, any Preferred Stock (but excluding, in each case, any accrued dividends);

(7) the principal component of all Indebtedness of other Persons secured by a Lien on any asset of such Person, whether or not such Indebtedness is assumed by such Person; *provided*, *however*, that the amount of such Indebtedness will be the lesser of (x) the fair market value of such asset at such date of determination (as determined in good faith by a member of senior management or the Board of Directors of the Issuer) and (y) the amount of such Indebtedness of such other Persons;

(8) Guarantees by such Person of the principal component of Indebtedness of other Persons to the extent Guaranteed by such Person (other than by endorsement of negotiable instruments for collection in the ordinary course of business); *provided* that for the purposes of the calculation of the Consolidated Net Leverage Ratio if the net proceeds of any Parent Debt have been on-lent to the Issuer as an Issuer Proceeds Loan and such Parent Debt is Guaranteed by a member of the Group, only the principal of obligations under the Issuer Proceeds Loan in connection with such Parent Debt shall count and the corresponding Guarantee shall be deemed reduced by the amount of such Indebtedness; and

(9) to the extent not otherwise included in this definition, net obligations of such Person under Currency Agreements and Interest Rate Agreements (the amount of any such obligations to be equal at any time to the termination value of such agreement or arrangement giving rise to such obligation that would be payable by such Person at such time).

Notwithstanding the foregoing, the term "Indebtedness" shall not include (i) Subordinated Shareholder Funding, (ii) any amount owed by the Issuer or any of its Restricted Subsidiaries under any Intercompany Tax Group Receivable, (iii) prepayments of deposits received from clients or customers in the ordinary course of business, (iv) any pension obligations, (v) Contingent Obligations in the ordinary course of business, (vi) obligations under or in respect of Qualified Receivables Financing, (vii) obligations under any license, permit or other approval (or Guarantees given in respect of such obligations) Incurred prior to the Issue Date or in the ordinary course of business, (viii) non-interest bearing installment obligations and accrued liabilities Incurred in the ordinary course of business that are not more than 120 days past due, (ix) indebtedness in respect of the Incurrence by the Issuer or any Restricted Subsidiary of indebtedness in respect of standby letters of credit, performance bonds or surety bonds provided by the Issuer or any Restricted Subsidiary in the ordinary course of business to the extent such letters of credit or bonds are not drawn upon or, if and to the extent drawn upon are honored in accordance with their terms and if, to be reimbursed, are reimbursed no later than the fifth Business Day following receipt by such Person of a demand for reimbursement following payment on the letter of credit or bond, or (x) indebtedness Incurred by the Issuer or one of the Restricted Subsidiaries in connection with a transaction where (A) such indebtedness is borrowed from a bank or trust company, having a combined capital and surplus and undivided profits of not less than €250 million, whose debt has a rating immediately prior to the time such transaction is entered into, of at least A or the equivalent thereof by S&P and A2 or the equivalent thereof by Moody's and (B) a substantially concurrent Investment is made by the Issuer or a Restricted Subsidiary in the form of cash deposited with the lender of such indebtedness, or a Subsidiary or Affiliate thereof, in amount equal to such indebtedness. For the avoidance of doubt and notwithstanding the above, the term "Indebtedness" excludes any accrued expenses and trade payables.

Notwithstanding the foregoing, the term "Indebtedness" shall include Parent Debt (i) on which interest payments are being made pursuant to clause (17)(ii) of the third paragraph of the "*—Certain covenants—Limitation on Restricted Payments*" covenant and (ii) not Guaranteed by the Issuer or any of its Restricted Subsidiaries, which shall be deemed to have been incurred under the first paragraph or second paragraph of the "*—Certain covenants—Limitation on Indebtedness*" covenant.

The amount of Indebtedness of any Person at any time in the case of a revolving credit or similar facility shall be the total amounts of funds borrowed and then outstanding. The amount of Indebtedness of any Person at any date shall be determined as set forth above or otherwise provided in the Indenture, and (other than with respect to letters of credit or Guarantees or Indebtedness specified in clause (7) or (8) above) shall equal the amount thereof that would appear on a balance sheet of such Person (excluding any notes thereto) prepared on the basis of IFRS.

Notwithstanding the above provisions, in no event shall the following constitute Indebtedness:

(1) 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 30 days thereafter; or

(2) for the avoidance of doubt, any obligations in respect of workers' compensation claims, early retirement or termination obligations, pension obligations or contributions or similar claims, obligations or contributions or social security or wage Taxes.

"**Independent Financial Advisor**" means an investment banking or accounting firm of international standing or any third party appraiser of international standing; *provided*, *however*, that such firm or appraiser is not an Affiliate of the Issuer.

"**Initial Investors**" means DI, HLDI, HLDE and any trust, fund, company or partnership owned, managed or advised by HLD Associés Europe or any of their respective Affiliates or direct or indirect Subsidiaries or any limited partner of any such trust, fund, company or partnership.

"**Initial Public Offering**" means an Equity Offering of common stock or other common equity interests of the Issuer or any Parent Entity or any successor of the Issuer or any Parent Entity (the "**IPO Entity**") following which there is a public market and, as a result of which, the shares of common stock or other common equity interests of the IPO Entity in such offering are listed on an internationally recognized exchange or traded on an internationally recognized market.

"**Intercompany Tax Group Receivable**" means any amount owed from time to time by the Issuer or any of its Restricted Subsidiaries to any Parent Entity in connection with the execution, delivery, performance and maintenance of any Tax Sharing Agreement.

"**Intercreditor Agreement**" means the Intercreditor Agreement dated December 12, 2019, by and among, *inter alios*, the Issuer, the Initial Guarantors, the trustee under the 2026 Indenture, the 2027 Indenture, the Security Agent, and certain other parties thereto, as amended from time to time, to which the Trustee will accede on or about the Issue Date, and, following the Intercreditor Amendment Effective Date, any reference to the Intercreditor Agreement shall be deemed to be Amended and Restated Intercreditor Agreement.

"**Interest Rate Agreement**" means, with respect to any Person, any interest rate protection agreement, interest rate future agreement, interest rate option agreement, interest rate swap agreement, interest rate cap agreement, interest rate collar agreement, interest rate hedge agreement or other similar agreement or arrangement to which such Person is party or a beneficiary.

"**Investment**" means, with respect to any Person, all investments by such Person in other Persons (including Affiliates) in the form of any direct or indirect advance, loan or other extensions of credit (other than advances or extensions of credit to customers, suppliers, directors, officers or employees of any Person in the ordinary course of business, and excluding any debt or extension of credit represented by a bank deposit other than a time deposit) or capital contribution to (by means of any transfer of cash or other property to others or any payment for property or services for the account or use of others), or the Incurrence of a Guarantee of any obligation of, or any purchase or acquisition of Capital Stock, Indebtedness or other similar instruments issued by, such other Persons and all other items that are or would be classified as investments on a balance sheet (excluding any notes thereto) prepared on the basis of IFRS; *provided*, *however*, that endorsements of negotiable instruments and documents in the ordinary course of business will not be deemed to be an Investment. If the Issuer or any Restricted Subsidiary issues, sells or otherwise disposes of any Capital Stock of a Person that is a Restricted Subsidiary such that, after giving effect thereto, such Person is no longer a Restricted Subsidiary, any Investment by the Issuer or any Restricted Subsidiary in such Person remaining after giving effect thereto will be deemed to be a new Investment equal to the fair market value of the Capital Stock of such Subsidiary not sold or disposed of in an amount determined as provided in the final paragraph of the "*—Certain covenants—Limitation on Restricted*

Payments" covenant.

For purposes of "*—Certain Covenants—Limitation on Restricted Payments*":

(1) "Investment" will include the portion (proportionate to the Issuer's equity interest in a Restricted Subsidiary to be designated as an Unrestricted Subsidiary) of the fair market value of the net assets of such Restricted Subsidiary at the time that such Restricted Subsidiary is designated an Unrestricted Subsidiary; *provided*, *however*, that upon a redesignation of such Subsidiary as a Restricted Subsidiary, the Issuer will be deemed to continue to have a permanent "Investment" in an Unrestricted Subsidiary in an amount (if positive) equal to (a) the Issuer's "Investment" in such Subsidiary at the time of such redesignation *less* (b) the portion (proportionate to the Issuer's equity interest in such Subsidiary) of the fair market value of the net assets (as determined in good faith by a member of senior management or the Board of Directors of the Issuer) of such Subsidiary at the time that such Subsidiary is so re-designated a Restricted Subsidiary; and

(2) any property transferred to or from an Unrestricted Subsidiary will be valued at its fair market value at the time of such transfer, (as determined in good faith by a member of senior management or the Board of Directors of the Issuer) of such Subsidiary.

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.

"**Investment Grade Securities**" means:

(1) securities issued or directly and fully Guaranteed or insured by the United States government or any agency or instrumentality thereof (other than Cash Equivalents);

(2) securities issued or directly and fully Guaranteed or insured by a member state of the European Union, United Kingdom, Norway, Switzerland, Canada, the United States of America, any State of the United States or the District of Columbia, or any agency or instrumentality thereof (other than Cash Equivalents);

(3) debt securities or debt instruments with a rating of "A-" or higher from S&P or "A3" or higher by Moody's or the equivalent of such rating by such rating organization or, if no rating of Moody's or S&P then exists, the equivalent of such rating by any other Nationally Recognized Statistical Ratings Organization, but excluding any debt securities or instruments constituting loans or advances among the Issuer and its Subsidiaries; and

(4) investments in any fund that invests exclusively in investments of the type described in clauses (1), (2) and (3) above which fund may also hold cash and Cash Equivalents pending investment or distribution.

"**Investment Grade Status**" shall occur when the Notes receive two of the following:

(1) a rating of "BBB-" or higher from S&P;

(2) a rating of "Baa3" or higher from Moody's; and

(3) a rating of "BBB-" or higher from Fitch,

or the equivalent of such rating by either such rating organization or, if no rating of S&P, Moody's or Fitch then exists, the equivalent of such rating by any other Nationally Recognized Statistical Ratings Organization.

"**IPO Market Capitalization**" means an amount equal to (i) the total number of issued and outstanding shares of common stock or common equity interests of the IPO Entity at the time of closing of the Initial Public Offering multiplied by (ii) the price per share at which such shares of common stock or common equity interests are sold in such Initial Public Offering.

"**Issue Date**" means February 5, 2024.

"**Issuer**" means Kapla Holding S.A.S. and any successor thereto.

"**Issuer Proceeds Loan**" means any loan agreement entered into between a Parent Entity and the Issuer pursuant to which the Parent Entity lends to the Issuer the net proceeds of any Indebtedness Incurred by the Parent Entity; *provided* that (i) the principal amount of, and interest rate on, such Issuer Proceeds Loan will not be greater than the principal amount of, and interest rate on, the Indebtedness Incurred by the Parent Entity that funded such Issuer Proceeds Loan (except to the extent a reasonable margin is required by law (as determined in good faith by a member of senior management or the Board of Directors of the Issuer)), as such Indebtedness is amended, replaced or otherwise refinanced from time to time and (ii) such Issuer Proceeds Loan shall be subordinated to the Notes in right of payment to the Notes in accordance with the Intercreditor Agreement and any Additional Intercreditor Agreement.

"**Lien**" means any mortgage, pledge, security interest, encumbrance, lien or charge of any kind (including any conditional sale or other title retention agreement or lease in the nature thereof).

"**Management Advances**" means loans or advances made to, or Guarantees with respect to loans or advances made to, directors, officers, employees or consultants of any Parent Entity, the Issuer or any Restricted Subsidiary:

(1) (a) in respect of travel, entertainment or moving related expenses Incurred in the ordinary course of business or (b) for purposes of funding any such person's purchase of Capital Stock or Subordinated Shareholder Funding (or similar obligations) of the Issuer or its Subsidiaries or any Parent Entity with (in the case of this sub-clause (b)) the approval of the Board of Directors;

(2) in respect of moving related expenses Incurred in connection with any closing or consolidation of any facility or office; or

(3) (in the case of this clause (3)) not exceeding the greater of (x) €23 million and (y) 5% of Consolidated EBITDA in the aggregate outstanding at any time.

"**Management Investors**" means the current or former officers, directors, employees and other members of the management of or consultants to any Parent Entity, the Issuer or any of their respective Subsidiaries, or spouses, family members or relatives thereof, or any trust, partnership or other entity for the benefit of or the beneficial owner of which (directly or indirectly) is any of the foregoing, or any of their heirs, executors, successors and legal representatives, who at any date beneficially own or have the right to acquire, directly or indirectly, Capital Stock of the Issuer, any Restricted Subsidiary or any Parent Entity.

"**Market Capitalization**" means an amount equal to (i) the total number of issued and outstanding shares of common stock or common equity interests of the IPO Entity on the date of the declaration of the relevant dividend multiplied by (ii) the arithmetic mean of the closing prices per share of such common stock or common equity interests for the 30 consecutive trading days immediately preceding the date of declaration of such dividend.

"**Moody's**" means Moody's Investors Service, Inc. or any of its successors or assigns that is a Nationally Recognized Statistical Rating Organization.

"**Nationally Recognized Statistical Rating Organization**" means a nationally recognized statistical rating organization within the meaning of Section 3(a)(62)(A) under the Exchange Act.

"**Net Available Cash**" from an Asset Disposition means cash payments received (including any cash payments received by way of deferred payment of principal pursuant to a note or installment receivable or otherwise and net proceeds from the sale or other disposition of any securities received as consideration, but only as and when received, but excluding any other consideration received in the form of assumption by the acquiring person of Indebtedness or other obligations relating to the properties or assets that are the subject of such Asset Disposition or received in any other non-cash form) therefrom, in each case net of:

(1) all legal, accounting, investment banking, title and recording tax expenses, commissions and other fees and expenses Incurred, and all Taxes paid or required to be paid or accrued as a liability under IFRS (after taking into account any available tax credits or deductions and any tax sharing agreements), as a consequence of such Asset Disposition;

(2) all payments made on any Indebtedness (i) which is secured by any assets subject to such Asset Disposition, or (ii) which must by its terms, or in order to obtain necessary consent to such Asset Disposition, or by applicable law, be repaid out of the proceeds from such Asset Disposition;

(3) all distributions and other payments required to be made to minority interest holders (other than any Parent Entity,

the Issuer or any of their respective Subsidiaries) in Subsidiaries or joint ventures as a result of such Asset Disposition; and

(4) the deduction of appropriate amounts required to be provided by the seller as a reserve, on the basis of IFRS, against any liabilities associated with the assets disposed of in such Asset Disposition and retained by the Issuer or any Restricted Subsidiary after such Asset Disposition.

"**Net Cash Proceeds**," with respect to any issuance or sale of Capital Stock or Subordinated Shareholder Funding, means the cash proceeds of such issuance or sale net of attorneys' fees, accountants' fees, underwriters' or placement agents' fees, listing fees, discounts or commissions and brokerage, consultant and other fees and charges actually Incurred in connection with such issuance or sale and net of taxes paid or payable as a result of such issuance or sale (after taking into account any available tax credit or deductions and any tax sharing arrangements).

"**Notes Documents**" means the Notes (including Additional Notes), the Indenture, the Security Documents, the Intercreditor Agreement and any Additional Intercreditor Agreements.

"**Offering Memorandum**" means the final offering memorandum in relation to the Notes issued on the Issue Date.

"**Officer**" means, with respect to any Person, (1) any member of the Board of Directors, the Chief Executive Officer, the President, the Chief Operating Officer, the Chief Financial Officer, any Vice President, the Treasurer or the Secretary (a) of such Person or (b) if such Person is owned or managed by a single entity, of such entity, or (2) any other individual designated as an "Officer" for the purposes of the Indenture by the Board of Directors of such Person. The obligations of an "Officer of the Issuer" may be exercised by the Officer of any Restricted Subsidiary who has been delegated such authority by the Board of Directors of the Issuer.

"**Officer's Certificate**" means, with respect to any Person, a certificate signed by one Officer of such Person.

"**Opinion of Counsel**" means a written opinion in form and substance reasonably satisfactory to the Trustee from legal counsel reasonably satisfactory to the Trustee. The counsel may be an employee of or counsel to the Issuer or its Subsidiaries.

"**Parent Debt**" means any Indebtedness Incurred by a Parent Entity, the interest of which is being serviced pursuant to clause (17) of the definition of "Permitted Payments."

"**Parent Debt Contribution**" means the issuance by the Issuer of any Capital Stock, Preferred Stock, Subordinated Shareholder Funding, the contribution to the equity of the Issuer or the Incurrence of any debt instrument by the Issuer pursuant to which, in each case, the net proceeds of Parent Debt is contributed to the Issuer or any of its Restricted Subsidiaries.

"**Parent Entity**" of the Issuer means any other Person (other than a natural person) that (i) legally and beneficially owns more than 50% of the Voting Stock of the Issuer, either directly or through one or more Subsidiaries, (ii) is a Subsidiary of any Person referred to in the preceding clause or (iii) any holding companies established by any Permitted Holder for purposes of holding its investment in any Parent Entity; *provided*, *however*, that in no event shall any Subsidiary of the Issuer constitute its Parent Entity.

"**Parent Expenses**" means:

(1) costs (including all professional fees and expenses) Incurred by any Parent Entity in connection with reporting obligations under or otherwise Incurred in connection with compliance with applicable laws, rules or regulations of any governmental, regulatory or self-regulatory body or stock exchange, in each case, to the extent relating to Indebtedness of the Issuer or a Restricted Subsidiary, the Indenture or any other agreement or instrument relating to Indebtedness of the Issuer or any Restricted Subsidiary, including in respect of any reports filed with respect to the Securities Act, Exchange Act or the respective rules and regulations promulgated thereunder;

(2) customary indemnification obligations of any Parent Entity owing to directors, officers, employees or other Persons under its charter or by-laws or pursuant to written agreements with any such Person to the extent relating to the Issuer and its Subsidiaries;

(3) obligations of any Parent Entity in respect of director and officer insurance (including premiums therefor) to the extent relating to the Issuer and its Subsidiaries;

(4) fees and expenses payable by any Parent Entity in connection with the Transactions;

(5) general corporate overhead expenses, including professional fees and expenses and other operational expenses of any Parent Entity related to the ownership or operation of the business of the Issuer or any of its Restricted Subsidiaries;

(6) other fees, expenses and costs relating directly or indirectly to activities of the Issuer and its Subsidiaries or any Parent Entity or any other Person which holds directly or indirectly any Capital Stock or Subordinated Shareholder Funding of the Issuer, in an amount not to exceed the greater of (x) €5 million and (y) 1% of Consolidated EBITDA in any fiscal year;

(7) expenses Incurred by any Parent Entity in connection with any public offering or other sale of Capital Stock or Indebtedness:

(8) where the net proceeds of such offering or sale are intended to be received by or contributed to the Issuer or a Restricted Subsidiary;

(9) in a pro-rated amount of such expenses in proportion to the amount of such net proceeds intended to be so received or contributed; or

(10) otherwise on an interim basis prior to completion of such offering so long as any Parent Entity shall cause the amount of such expenses to be repaid to the Issuer or the relevant Restricted Subsidiary out of the proceeds of such offering promptly if completed; and

(11) fees, taxes, expenses and costs required to maintain the corporate existence of any Parent Entity.

"***Pari Passu* Indebtedness**" means (1) with respect to the Issuer, any Indebtedness that ranks *pari passu* in right of payment to the Notes and (2) with respect to any Guarantor, any Indebtedness that ranks *pari passu* in right of payment to such Guarantor's Notes Guarantee.

"**Paying Agent**" means any Person authorized by the Issuer to pay the principal of (and premium, if any) or interest on any Note on behalf of the Issuer.

"**Permitted Asset Swap**" means the concurrent purchase and sale or exchange of assets used or useful in a Similar Business or a combination of such assets and cash, Cash Equivalents or Temporary Cash Investments 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 or Cash Equivalents sold or exchanged must be applied in accordance with the "*—Certain covenants—Limitation on sales of assets and subsidiary stock*" covenant.

"**Permitted Collateral Liens**" means:

(1) Liens on the Collateral to secure the Notes on the Issue Date and any Guarantee of such Notes and any Refinancing Indebtedness in respect thereof (and any Refinancing Indebtedness in respect of Refinancing Indebtedness); *provided* that each of the parties thereto will have entered into the Intercreditor Agreement or an Additional Intercreditor Agreement;

(2) Liens on the Collateral that are described in one or more of clauses (2), (3), (4), (5), (6), (8), (9), (10), (11), (12), (13), (14), (15), (17), (19), (20), (21), (22), (23), (29), (32) and (33) of the definition of "Permitted Liens";

(3) Liens on the Collateral to secure any Indebtedness (including any Additional Notes) that is permitted to be Incurred under (a) the first paragraph of the "*—Certain covenants—Limitation on Indebtedness*" covenant or (b) clause (5) of the second paragraph of the "*—Certain covenants—Limitation on Indebtedness*" covenant (*provided* that Indebtedness Incurred in this clause (b) is Incurred by the Issuer or any Guarantor), and any Refinancing Indebtedness in respect of any of the foregoing (and any Refinancing Indebtedness in respect of Refinancing Indebtedness);

(4) Liens on the Collateral to secure any Indebtedness that is permitted to be Incurred under clauses (1), (2) (in the case of clause (2), to the extent such Guarantee is in respect of Indebtedness otherwise permitted to be secured and specified in clauses (3) and (4) of the definition of "Permitted Collateral Liens"), (4)(a), (4)(b) and (4)(c) (to the extent the Indebtedness refinanced was secured by Liens on the Collateral), (6), (7) (other than Capitalized Lease Obligations), (11) and (15) of the second paragraph of the "*—Certain covenants—Limitation on*

Indebtedness" covenant and any Refinancing Indebtedness in respect of any of the foregoing (and any Refinancing Indebtedness in respect of Refinancing Indebtedness); and

(5) any Lien securing Indebtedness (including Parent Debt and any Guarantee thereof) on a basis junior to the Notes, *provided*, *however*, in the case of clauses (3), (4) and (5), that:

(A) any such Indebtedness is subject to the Intercreditor Agreement or to an Additional Intercreditor Agreement; and

(B) the Collateral securing such Indebtedness shall also secure the Notes or the Notes Guarantees on a senior or *pari passu* basis; *provided* that, with respect to Indebtedness that is Incurred under clauses (1) and (6) of the second paragraph of the "*—Certain covenants—Limitation on Indebtedness*" covenant, such Indebtedness may receive priority with respect to distributions of proceeds of any enforcement of Collateral.

"**Permitted Holders**" means, collectively, (1) the Initial Investors, (2) Senior Management, (3) any Related Person of any Persons specified in clauses (1) and (2), (4) any Person who is acting as an underwriter in connection with a public or private offering of Capital Stock of any Parent Entity or the Issuer, acting in such capacity and (5) and (5) any group (within the meaning of Section 13(d)(3) or Section 14(d)(2) of the Exchange Act as of the Issue Date) of which any of the foregoing or any Persons mentioned in the following sentence are members; *provided* that, in the case of such group and without giving effect to the existence of such group or any other group, the Initial Investors and Senior Management and such Persons referred to in the following sentence, collectively, have beneficial ownership of more than 50% of the total voting power of the Voting Stock of the Issuer or any of its direct or indirect parent companies owned by such group. Any person or group whose acquisition of beneficial ownership constitutes (i) a Change of Control in respect of which a Change of Control Offer is made in accordance with the requirements of the Indenture or (ii) a Change of Control which is also a Specified Change of Control Event will thereafter, together with its Affiliates, constitute an additional Permitted Holder.

"**Permitted Investment**" means (in each case, by the Issuer or any of its Restricted Subsidiaries):

(1) Investments in (a) a Restricted Subsidiary (including the Capital Stock of a Restricted Subsidiary) or the Issuer or (b) a Person (including the Capital Stock of any such Person) and such Person will, upon the making of such Investment, become a Restricted Subsidiary;

(2) Investments in another Person if as a result of such Investment such other Person is merged, consolidated or otherwise combined with or into, or transfers or conveys all or substantially all its assets to, the Issuer or a Restricted Subsidiary;

(3) Investments in cash, Cash Equivalents, Temporary Cash Investments or Investment Grade Securities;

(4) Investments in receivables owing to the Issuer or any Restricted Subsidiary created or acquired in the ordinary course of business;

(5) Investments in payroll, travel and similar advances to cover matters that are expected at the time of such advances ultimately to be treated as expenses for accounting purposes and that are made in the ordinary course of business;

(6) Management Advances;

(7) Investments in Capital Stock, obligations or securities received (a) in settlement of debts created in the ordinary course of business and owing to the Issuer or any Restricted Subsidiary, or as a result of foreclosure, perfection or enforcement of any Lien, or in satisfaction of judgments or pursuant to any plan of reorganization or similar arrangement including upon the bankruptcy or insolvency of a debtor or (b) in compromise or resolution of litigation, arbitration or other disputes with Persons who are not Affiliates;

(8) Investments made as a result of the receipt of non-cash consideration from a sale or other disposition of property or assets, including an Asset Disposition, in each case, that was made in compliance with the covenant described under "*—Certain Covenants—Limitation on sales of assets and subsidiary stock*";

(9) Investments in existence on, or made pursuant to legally binding commitments in existence on, the Issue Date and any extension, modification or renewal of any such Investment; *provided* that the amount of the Investment may be increased (a) as required by the terms of the Investment as in existence on the Issue Date or (b) as

otherwise permitted under the Indenture;

(10) Currency Agreements, Interest Rate Agreements, Commodity Hedging Agreements and related Hedging Obligations, which transactions or obligations are Incurred in compliance with the covenant described under "—*Certain covenants—Limitation on Indebtedness*";

(11) pledges or deposits with respect to leases or utilities provided to third parties in the ordinary course of business or Liens otherwise described in the definition of "Permitted Liens" or made in connection with Liens permitted under the covenant described under "—*Certain covenants—Limitation on Liens*";

(12) any Investment to the extent made using Capital Stock of the Issuer (other than Disqualified Stock) or Subordinated Shareholder Funding or Capital Stock of any Parent Entity as consideration;

(13) any transaction to the extent constituting an Investment that is permitted and made in accordance with the provisions of the second paragraph of the covenant described under "—*Certain covenants—Limitation on Affiliate Transactions*" (except those described in clauses (1), (3), (8), (9) and (12) of that paragraph);

(14) Guarantees not prohibited by the covenant described under "—*Certain covenants—Limitation on Indebtedness*" and (other than with respect to Indebtedness) loans, Guarantees, keepwells and similar arrangements in the ordinary course of business;

(15) advances, loans or other extensions of credit to any joint venture (but not, for the avoidance of doubt, any purchase or acquisition of Capital Stock of a joint venture or any other form of contribution to the equity of such joint venture) in the ordinary course of business;

(16) Investments consisting of purchases and acquisitions of inventory, supplies, materials and equipment or licenses or leases of intellectual property, in any case, in the ordinary course of business and otherwise in accordance with the Indenture;

(17) Investments in joint ventures of the Issuer or any of its Restricted Subsidiaries and Investments in Unrestricted Subsidiaries that do not exceed, collectively, an aggregate principal amount of the greater of (x) €115 million and (y) 25% of Consolidated EBITDA outstanding at any time; *provided*, *however*, that if any Investment pursuant to this clause (17) is made in any Person that is not a Restricted Subsidiary at the date of the making of such Investment and such Person becomes a Restricted Subsidiary after such date, such Investment shall thereafter be deemed to have been made pursuant to clause (1) above and shall cease to have been made pursuant to this clause (17) for so long as such Person continues to be a Restricted Subsidiary;

(18) Investments in the Notes and any Additional Notes or in any other Indebtedness of the Issuer or any Restricted Subsidiary that ranks senior or *pari passu* in right of payment to the Notes;

(19) (a) loans or other Investments required to be entered into in connection with a Qualified Receivables Financing or a Permitted Recourse Receivables Financing and (b) distributions or payments of Receivables Fees and purchases of Receivables Assets in connection with a Qualified Receivables Financing or Permitted Recourse Receivables Financing;

(20) Investments, taken together with all other Investments made pursuant to this clause (20) and at any time outstanding, in an aggregate amount at the time of such Investment not to exceed the greater of (x) €90 million and (y) 20% of Consolidated EBITDA; *provided* that, if an Investment is made pursuant to this clause in a Person that is not a Restricted Subsidiary and such Person subsequently becomes a Restricted Subsidiary or is subsequently designated a Restricted Subsidiary pursuant to the covenant described under "—*Certain covenants—Limitation on Restricted Payments*," such Investment shall thereafter be deemed to have been made pursuant to clause (1) or (2) of the definition of "Permitted Investments" and not this clause (20);

(21) Investments acquired after the Issue Date 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 Restricted Subsidiary in a transaction that is not prohibited by the covenant described under "—*Certain covenants—Merger and consolidation*" to the extent that such Investments were not made in contemplation of such acquisition, merger, amalgamation or consolidation and were in existence on the date of such acquisition, merger, amalgamation or consolidation;

(22) Investments of cash held on behalf of merchants or other business counterparties in the ordinary course of business

in bank deposits, time deposit accounts, certificates of deposit, bankers' acceptances, money market deposits, money market deposit accounts, bills of exchange, commercial paper, governmental obligations, investment funds, money market funds or other securities;

(23) Investments consisting of purchases and acquisitions of inventory, supplies, materials and equipment or licenses or leases of intellectual property, in each case, in the ordinary course of business and in accordance with the Indenture; and

(24) Investments in prepaid expenses, negotiable instruments held for collection and lease, utility, workers' compensation, performance and other similar deposits, in each case, in the ordinary course of business.

"**Permitted Liens**" means, with respect to any Person:

(1) Liens on assets or property of a Restricted Subsidiary that is not a Guarantor securing Indebtedness of any Restricted Subsidiary that is not a Guarantor;

(2) pledges, deposits or Liens under workmen's compensation laws, unemployment insurance laws, social security laws or similar legislation, or insurance related obligations (including pledges or deposits securing liability to insurance carriers under insurance or self-insurance arrangements), or in connection with bids, tenders, completion Guarantees, contracts (other than for borrowed money) or leases, or to secure utilities, licenses, public or statutory obligations, or to secure surety, indemnity, judgment, appeal or performance bonds, Guarantees of government contracts (or other similar bonds, instruments or obligations), or as security for contested taxes or import or customs duties or for the payment of rent, or other obligations of like nature, in each case Incurred in the ordinary course of business;

(3) Liens imposed by law or agreement of similar effect, including carriers', warehousemen's, mechanics', landlords', materialmen's and repairmen's or other like Liens, in each case for sums not yet overdue for a period of more than 60 days or that are bonded or being contested in good faith by appropriate proceedings;

(4) Liens for taxes, assessments or other governmental charges not yet delinquent or which are being contested in good faith by appropriate proceedings; *provided* that appropriate reserves required pursuant to IFRS have been made in respect thereof;

(5) Liens in favor of issuers of surety, performance or other bonds, Guarantees or letters of credit or bankers' acceptances (not issued to support Indebtedness for borrowed money) issued pursuant to the request of and for the account of the Issuer or any Restricted Subsidiary in the ordinary course of its business and Liens to secure cash management services or to implement cash pooling arrangements or to cash collateralize letters of credit or similar instruments in the ordinary course of business;

(6) encumbrances, ground leases, easements (including reciprocal easement agreements), survey exceptions, or reservations of, or rights of others for, licenses, rights of way, sewers, electric lines, telegraph and telephone lines and other similar purposes, or zoning, building codes or other restrictions (including minor defects or irregularities in title and similar encumbrances) as to the use of real properties or Liens incidental to the conduct of the business of the Issuer and its Restricted Subsidiaries or to the ownership of its properties which do not in the aggregate materially adversely affect the value of said properties or materially impair their use in the operation of the business of the Issuer and its Restricted Subsidiaries;

(7) Liens on assets or property of the Issuer or any Restricted Subsidiary securing Hedging Obligations permitted under the Indenture;

(8) leases, licenses, subleases and sublicenses of assets (including real property and intellectual property rights), in each case entered into in the ordinary course of business;

(9) Liens arising out of judgments, decrees, orders or awards not giving rise to an Event of Default so long as any appropriate legal proceedings which may have been duly initiated for the review of such judgment, decree, order or award have not been finally terminated or the period within which such proceedings may be initiated has not expired and Liens imposed by any legal or administrative authority in connection with pre-judgment proceedings;

(10) Liens arising by virtue of any statutory or common law provisions relating to banker's Liens, rights of set-off or similar rights and remedies as to deposit accounts or other funds maintained with a depositary or financial institution;

(11) Liens arising from Uniform Commercial Code financing statement filings (or similar filings in other applicable jurisdictions) regarding operating leases entered into by the Issuer and its Restricted Subsidiaries in the ordinary course of business;

(12) with respect to the Issuer and the Restricted Subsidiaries, Liens existing on, or provided for or required to be granted under written agreements existing on, the Issue Date;

(13) Liens on property, other assets or shares of stock of a Person at the time such Person becomes a Restricted Subsidiary (or at the time the Issuer or a Restricted Subsidiary acquires such property, other assets or shares of stock, including any acquisition by means of a merger, consolidation or other business combination transaction with or into the Issuer or any Restricted Subsidiary); *provided*, *however*, that such Liens are not created, Incurred or assumed in anticipation of or in connection with such other Person becoming a Restricted Subsidiary (or such acquisition of such property, other assets or stock); *provided*, *further*, that such Liens are limited to all or part of the same property, other assets or stock (*plus* improvements, accession, proceeds or dividends or distributions in connection with the original property, other assets or stock) that secured (or, under the written arrangements under which such Liens arose, could secure) the obligations to which such Liens relate;

(14) Liens on assets or property of the Issuer or any Restricted Subsidiary securing Indebtedness or other obligations of such Restricted Subsidiary owing to the Issuer or another Restricted Subsidiary, or Liens in favor of the Issuer or any Restricted Subsidiary;

(15) Liens securing Refinancing Indebtedness Incurred to refinance Indebtedness that was previously so secured, and permitted to be secured under the Indenture; *provided* that any such Lien is limited to all or part of the same property or assets (*plus* improvements, accessions, proceeds or dividends or distributions in respect thereof) that secured (or, under the written arrangements under which the original Lien arose, could secure) the Indebtedness being refinanced or is in respect of property that is or could be the security for or subject to a Permitted Lien hereunder;

(16) (i) any interest or title of a lessor under any Capitalized Lease Obligation or operating lease and (ii) any Liens on assets or property of the Issuer or any Restricted Subsidiary for the purpose of securing Purchase Money Obligations or Capitalized Lease Obligations or securing the payment of all or a part of the purchase price of, or securing other Indebtedness Incurred to finance or refinance the acquisition, improvement or construction of, assets or property acquired or constructed in the ordinary course of business; *provided* that (a) the aggregate principal amount of Indebtedness secured by such Liens is otherwise permitted to be Incurred under the Indenture and (b) any such Lien may not extend to any assets or property of the Issuer or any Restricted Subsidiary other than assets or property acquired, improved, constructed or leased with the proceeds of such Indebtedness and any improvements or accessions to such assets and property;

(17) (a) mortgages, liens, security interest, restrictions, encumbrances or any other matters of record that have been placed by any government, statutory or regulatory authority, developer, landlord or other third party on property over which the Issuer or any Restricted Subsidiary has easement rights or on any leased property and subordination or similar arrangements relating thereto and (b) any condemnation or eminent domain proceedings affecting any real property;

(18) any encumbrance or restriction (including put and call arrangements) with respect to Capital Stock of any joint venture or similar arrangement pursuant to any joint venture or similar agreement;

(19) 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;

(20) Liens on Receivables Assets Incurred in connection with a Qualified Receivables Financing or a Permitted Recourse Receivables Financing;

(21) Liens on escrowed proceeds for the benefit of the related holders of debt securities (including holders of a specific series of Notes and not any other series) or other Indebtedness (or the underwriters, arrangers or trustees (including the Trustee) thereof), 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 on any guarantee or backstop commitment relating to any escrow shortfall;

(22) Liens securing or arising by reason of any netting or set-off arrangement entered into in the ordinary course of banking or other trading activities, or liens over cash accounts and receivables securing cash pooling or cash management arrangements;

(23) Liens arising out of conditional sale, title retention, hire purchase, consignment or similar arrangements for the sale of goods entered into in the ordinary course of business;

(24) Liens securing Indebtedness or other obligations of a Receivables Subsidiary, or Liens arising in connection with a Permitted Recourse Receivables Financing;

(25) Permitted Collateral Liens;

(26) Liens on Capital Stock or other securities or assets of any Unrestricted Subsidiary that secure Indebtedness of such Unrestricted Subsidiary;

(27) limited recourse Liens in respect of the ownership interests in, or assets owned by, any joint ventures which are not Restricted Subsidiaries securing obligations of such joint ventures or in favor of other joint venture partners;

(28) Liens arising as a result of a disposition, whether or not deemed to be an Asset Disposition;

(29) Liens securing Indebtedness Incurred pursuant to local lines of credit and overdraft facilities;

(30) (a) Liens created for the benefit of or to secure the Notes and the Notes Guarantees, (b) Liens pursuant to the Intercreditor Agreement and the security documents entered into pursuant to the Revolving Credit Facility and (c) Liens in respect of property and assets securing Indebtedness if the recovery in respect of such Liens is subject to loss-sharing as among the Holders of the Notes and the creditors of such Indebtedness pursuant to the Intercreditor Agreement or an Additional Intercreditor Agreement;

(31) Liens; provided that the maximum amount of Indebtedness secured in the aggregate at any one time pursuant to this clause (31) does not exceed the greater of (x) €185 million and (y) 40% of Consolidated EBITDA;

(32) Liens on cash, Cash Equivalents or other property arising in connection with the defeasance, discharge or redemption of Indebtedness;

(33) Liens on any proceeds loan made by the Issuer or any Restricted Subsidiary in connection with any future Incurrence of Indebtedness permitted under the Indenture and securing that Indebtedness; and

(34) any extension, renewal or replacement, in whole or in part, of any Lien described in the foregoing clauses (1) through (33); *provided* that any such extension, renewal or replacement shall not extend in any material respect to any additional property or assets.

"**Permitted Recourse Receivables Financing**" means any financing other than a Qualified Receivables 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 Receivables 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 Receivables 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 a member of senior management or the Board of Directors of the Issuer) 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 a member of senior management or the Board of Directors of the Issuer) at the time such financing is entered into.

"**Permitted Reorganization**" means (i) any consolidation or merger of the Issuer with or into a Parent Entity, *provided* that if the surviving entity of any such consolidation or merger is not the Issuer, such surviving entity expressly assumes (a) by supplemental indenture, executed and delivered to the Trustee, in form reasonably satisfactory to the Trustee, all the obligations of the Issuer under the Notes and the Indenture, and (b) all obligations of the Issuer, under the Intercreditor Agreement, any Additional Intercreditor Agreement and the Security Documents, as applicable, or (ii) any amalgamation, demerger, merger, sale, contribution, or other disposition, voluntary liquidation, consolidation, reorganization, winding up, corporate reconstruction or other reorganization involving the Issuer or any of its Restricted Subsidiaries and the assignment, transfer or assumption of intragroup receivables and payables, among or between the Issuer and its Restricted Subsidiaries in connection therewith (a "**Reorganization**") that is made on a solvent basis; *provided* that, in the case of this clause (ii) only, immediately after giving effect to such Reorganization: (a) all of the

business and property or assets of the Issuer or such Restricted Subsidiary are owned by the Issuer or its Restricted Subsidiaries (and if such Restricted Subsidiary was a Guarantor immediately prior to such Reorganization, (x) all the business and property or assets of such Restricted Subsidiary are retained by one or more Guarantors or (y) the condition in clause (c) of this definition is satisfied), (b) any payments or property or assets distributed, sold, contributed or disposed of in connection with such Reorganization remain within the Issuer and its Restricted Subsidiaries, (c) if any shares or property or other assets that are subject to such Reorganization form part of the Collateral, substantially equivalent (as determined in good faith by a member of senior management or the Board of Directors of the Issuer) Liens must be granted over such shares or property or assets of the recipient such that they form part of the Collateral, subject to the Agreed Security Principles, and (d) the Issuer will provide to the Trustee and the Security Agent an Officer's Certificate confirming that such Reorganization is permitted under the Indenture and that no Default is continuing or would arise as a result of such Reorganization.

"**Person**" means any individual, corporation, partnership, joint venture, association, joint stock company, trust, unincorporated organization, limited liability company, government or any agency or political subdivision thereof or any other entity.

"**Preferred Stock**" as applied to the Capital Stock of any Person, means Capital Stock of any class or classes (however designated) which is preferred as to the payment of dividends or as to the distribution of assets upon any voluntary, winding up or involuntary liquidation or dissolution of such Person, over shares of Capital Stock of any other class of such Person.

"**Public Debt**" means any Indebtedness consisting of bonds, debentures, notes or other similar debt securities issued in (i) a public offering registered under the Securities Act or (ii) a private placement to institutional and other investors, in each case, that are not Affiliates of the Issuer, in accordance with Section 4(a)(2) of and/or Rule 144A or Regulation S under the Securities Act, whether or not it includes registration rights entitling the holders of such debt securities to registration thereof with the SEC for public resale.

"**Public Offering**" means any offering, including an Initial Public Offering, of shares of common stock or other common equity interests that are listed on an exchange or publicly offered (which shall include an offering pursuant to Rule 144A and/or Regulation S under the Securities Act to professional market investors or similar persons).

"**Purchase Money Obligations**" means any Indebtedness Incurred to finance or refinance the acquisition, leasing, construction or improvement of property (real or personal) or assets (including Capital Stock), and whether acquired through the direct acquisition of such property or assets or the acquisition of the Capital Stock of any Person owning such property or assets, or otherwise.

"**Qualified Receivables Financing**" means any Receivables Financing that meets the following conditions: (1) a member of senior management or the Board of Directors of the Issuer shall have determined in good faith that such Qualified Receivables Financing (including financing terms, covenants, termination events and other provisions) is in the aggregate economically fair and reasonable to the Issuer or the relevant Subsidiary of the Issuer, (2) all sales of accounts receivable and related assets of the Issuer or the relevant Subsidiary of the Issuer are made at fair market value (as determined in good faith by a member of senior management or the Board of Directors of the Issuer), and (3) the financing terms, covenants, termination events and other provisions thereof shall be on market terms (as determined in good faith by a member of senior management or the Board of Directors of the Issuer) and may include Standard Securitization Undertakings.

The grant of a security interest in any accounts receivable of the Issuer or any of its Restricted Subsidiaries to secure Indebtedness under a Credit Facility or Indebtedness in respect of the Notes shall not be deemed a Qualified Receivables Financing.

"**Receivables Assets**" means (a) any accounts receivable owed to the Issuer or a Restricted Subsidiary subject to a Receivables Financing and the proceeds thereof and (b) all collateral securing such accounts receivable, all contracts and contract rights, guarantees or other obligations in respect of such accounts receivable, all records with respect to such accounts receivable and any other assets customarily transferred together with accounts receivable in connection with a non-recourse accounts receivable factoring arrangement and which are sold, conveyed, assigned or otherwise transferred or pledged by the Issuer or such Restricted Subsidiary (as applicable) in a transaction or series of transactions in connection with a Receivables Financing.

"**Receivables Fees**" means distributions or payments made directly or by means of discounts with respect to any participation interest issued or sold in connection with, and other fees paid to a Person that is not a Restricted Subsidiary in connection with, any Receivables Financing.

"**Receivables Financing**" means any transaction or series of transactions that may be entered into by the Issuer or any of its Subsidiaries pursuant to which the Issuer or any of its Subsidiaries may sell, convey or otherwise transfer to any other Person, or may grant a security interest in, any accounts receivable (whether now existing or arising in the future) of the Issuer or any of its Subsidiaries, and any assets related thereto, including all collateral securing such accounts receivable, all contracts and all Guarantees or other obligations in respect of such accounts receivable, proceeds of such accounts receivable and other assets which are customarily transferred or in respect of which security interest are customarily granted in connection with asset securitization transactions involving accounts receivable and any Hedging Obligations entered into by the Issuer or any such Subsidiary in connection with such accounts receivable.

"**Receivables Repurchase Obligation**" means any obligation of a seller of receivables in a Qualified Receivables Financing to repurchase receivables arising as a result of a breach of a representation, warranty or covenant or otherwise, including as a result of a receivable or portion thereof becoming subject to any asserted defense, dispute, off-set or counterclaim of any kind as a result of any action taken by, any failure to take action by or any other event relating to the seller.

"**Receivables Subsidiary**" means a Wholly Owned Subsidiary of the Issuer (or another Person formed for the purposes of engaging in a Qualified Receivables Financing with the Issuer in which the Issuer or any Subsidiary of the Issuer makes an Investment and to which the Issuer or any Subsidiary of the Issuer transfers accounts receivable and related assets) which engages in no activities other than in connection with the financing of accounts receivable of the Issuer and its Subsidiaries, all proceeds thereof and all rights (contractual or other), collateral and other assets relating thereto, and any business or activities incidental or related to such business, and which is designated by the Board of Directors of the Issuer (as provided below) as a Receivables Subsidiary and:

(1) no portion of the Indebtedness or any other obligations (contingent or otherwise) of which (i) is Guaranteed by the Issuer or any Restricted Subsidiary (excluding Guarantees of obligations (other than the principal of, and interest on, Indebtedness) pursuant to Standard Securitization Undertakings), (ii) is subject to terms that are substantially equivalent in effect to a Guarantee of any losses on securitized or sold receivables by the Issuer or any Restricted Subsidiary, (iii) is recourse to or obligates the Issuer or any other Restricted Subsidiary in any way other than pursuant to Standard Securitization Undertakings, or (iv) subjects any property or asset of the Issuer or any Restricted Subsidiary, directly or indirectly, contingently or otherwise, to the satisfaction thereof, other than pursuant to Standard Securitization Undertakings;

(2) with which neither the Issuer nor any Restricted Subsidiary has any contract, agreement, arrangement or understanding other than on terms which the Issuer reasonably believes to be no less favorable to the Issuer or such Restricted Subsidiary than those that might be obtained at the time from Persons that are not Affiliates of the Issuer; and

(3) to which neither the Issuer nor any Restricted Subsidiary has any obligation to maintain or preserve such entity's financial condition or cause such entity to achieve certain levels of operating results.

Any such designation by the Board of Directors of the Issuer shall be evidenced to the Trustee by filing with the Trustee a copy of the 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 foregoing conditions.

"**refinance**" means refinance, refund, replace, renew, repay, modify, restate, defer, substitute, supplement, reissue, resell, extend or increase (including pursuant to any defeasance or discharge mechanism) and the terms "**refinances**," "**refinanced**" and "**refinancing**" as used for any purpose in the Indenture shall have a correlative meaning.

"**Refinancing Indebtedness**" means Indebtedness that is Incurred to refinance any Indebtedness existing on the date of the Indenture or Incurred in compliance with the Indenture (including Indebtedness of the Issuer that refinances Indebtedness of any Restricted Subsidiary and Indebtedness of any Restricted Subsidiary that refinances Indebtedness of the Issuer or another Restricted Subsidiary) including Indebtedness that refinances Refinancing Indebtedness; *provided*, *however*, that:

(1) if the Indebtedness being refinanced constitutes Subordinated Indebtedness, such Refinancing Indebtedness has a final stated maturity at the time such Refinancing Indebtedness is Incurred that is the same as or later than the final stated maturity of the Indebtedness being refinanced or the Notes;

(2) such Refinancing Indebtedness is Incurred in an aggregate principal amount (or if issued with original issue discount, an aggregate issue price) that is equal to or less than the sum of the aggregate principal amount (or if issued with original issue discount, the aggregate accreted value) then outstanding of the Indebtedness being refinanced (*plus*, without duplication, any additional Indebtedness Incurred to pay interest or premiums required by the instruments governing such existing Indebtedness and costs, expenses and fees Incurred in connection therewith); and

(3) if the Indebtedness being refinanced is expressly subordinated to the Notes, such Refinancing Indebtedness is subordinated to the Notes on terms at least as favorable to the Holders as those contained in the documentation governing the Indebtedness being refinanced;

provided, *however*, that Refinancing Indebtedness shall not include (x) Indebtedness of the Issuer or a Restricted Subsidiary that refinances Indebtedness of an Unrestricted Subsidiary and (y) Indebtedness of a Restricted Subsidiary that is not a Guarantor that refinances Indebtedness of the Issuer or a Guarantor.

Refinancing Indebtedness in respect of any Credit Facility or any other Indebtedness may be Incurred from time to time after the termination, discharge or repayment of any such Credit Facility or other Indebtedness.

"**Related Person**" with respect to any Permitted Holder, means:

(1) any controlling equity holder or majority (or more) owned Subsidiary of such Person;

(2) in the case of an individual, any spouse, family member or relative of such individual, any trust or partnership for the benefit of one or more of such individual and any such spouse, family member or relative, or the estate, executor, administrator, committee or beneficiaries of any thereof;

(3) any trust, corporation, partnership or other Person for which one or more of the Permitted Holders and other Related Persons of any thereof constitute the beneficiaries, stockholders, partners or owners thereof, or Persons beneficially holding in the aggregate a majority (or more) controlling interest therein; or

(4) any investment fund or vehicle managed, sponsored, advised, owned or controlled by such Person or any successor thereto, or by any Affiliate of such Person or any such successor.

"**Related Taxes**" means:

(1) any Taxes, including sales, use, transfer, rental, ad valorem, value added, stamp, property, consumption, franchise, license, capital, registration, business, customs, net worth, gross receipts, excise, occupancy, intangibles or similar Taxes (other than (x) Taxes measured by income and (y) withholding Taxes), required to be paid (*provided* such Taxes are in fact paid) by any Parent Entity by virtue of its:

(a) being incorporated or otherwise being established or having Capital Stock outstanding (but not by virtue of owning stock or other equity interests of any corporation or other entity other than, directly or indirectly, the Issuer or any of the Issuer's Subsidiaries);

(b) issuing or holding Subordinated Shareholder Funding;

(c) being a holding company Parent Entity, directly or indirectly, of the Issuer or any of the Issuer's Subsidiaries;

(d) receiving dividends from or other distributions in respect of the Capital Stock of, directly or indirectly, the Issuer or any of the Issuer's Subsidiaries; or

(e) having made any payment in respect to any of the items for which the Issuer is permitted to make payments to any Parent Entity pursuant to "*—Certain covenants—Limitation on Restricted Payments*"; or

(2) if and for so long as the Issuer is a member of a group filing a consolidated or combined tax return with any Parent Entity, any consolidated and combined Taxes measured by income for which such Parent Entity is liable up to an amount not to exceed with respect to such Taxes the amount of any such Taxes (i) that the Issuer and its Restricted Subsidiaries would have been required to pay on a separate company basis or on a consolidated basis if the Issuer and its Restricted Subsidiaries had paid such Taxes on a consolidated, combined, group, affiliated or unitary basis

on behalf of an affiliated group consisting only of the Issuer and its Restricted Subsidiaries, taking into account any carryovers and carrybacks of tax attributes (such as net operating losses) of the Issuer and such Restricted Subsidiaries from other taxable years and less any amounts paid directly by the Issuer and its Restricted Subsidiaries with respect to such Taxes and (ii) such Parent Entity actually owes to the appropriate Tax authority.

"**Representative**" means any trustee, agent or representative (if any) for an issue of Indebtedness or the provider of Indebtedness (if provided on a bilateral basis), as the case may be.

"**Restricted Investment**" means any Investment other than a Permitted Investment.

"**Restricted Subsidiary**" means any Subsidiary of the Issuer other than an Unrestricted Subsidiary.

"**Revolving Credit Facility**" means the revolving credit facility available pursuant to the Revolving Credit Facility Agreement.

"**Revolving Credit Facility Agreement**" means the revolving credit facility agreement dated on December 12, 2019, among, *inter alios*, the Issuer and the agent thereunder, as restated, modified, renewed, refunded, replaced, restructured, refinanced, repaid, increased or extended in whole or in part from time to time.

"**S&P**" means Standard & Poor's Investors Ratings Services or any of its successors or assigns that is a Nationally Recognized Statistical Rating Organization.

"**SEC**" means the U.S. Securities and Exchange Commission.

"**Securities Act**" means the U.S. Securities Act of 1933, as amended, and the rules and regulations of the SEC promulgated thereunder, as amended.

"**Security Agent**" means BNP Paribas, acting as security agent pursuant to the Intercreditor Agreement or such successor security agent or any delegate thereof as may be appointed thereunder or any such security agent, delegate or successor thereof pursuant to an Additional Intercreditor Agreement.

"**Security Documents**" means the security agreements, pledge agreements, collateral assignments, call options and any other instrument and document executed and delivered pursuant to the Indenture or otherwise or any of the foregoing, as the same may be amended, supplemented or otherwise modified from time to time, creating the security interests in the Collateral.

"**Senior Management**" means the officers, directors, and other members of senior management of the Issuer or any of its Subsidiaries, who at any date beneficially own or have the right to acquire, directly or indirectly, Capital Stock of the Issuer or any Parent Entity.

"**Senior Secured Indebtedness**" means, with respect to the Issuer or any Restricted Subsidiary as of any date of determination, (a) any Indebtedness that is Incurred under the first paragraph of the "*—Certain covenants—Limitation on Indebtedness*" covenant or clauses (1), (4)(a), (4)(b), (4)(c), (5), (7), (11), (13), (15) and (16) of the second paragraph of the "*—Certain Covenants—Limitation on Indebtedness*" covenant and any Refinancing Indebtedness in respect thereof, in each case that is (x) secured by a Lien on the Collateral that is at least *pari passu* with the Liens securing the Notes or (y) secured by a Lien on assets or property that do not constitute Collateral and (b) Indebtedness of a Restricted Subsidiary that is not a Guarantor. For the avoidance of doubt, in no event shall any Parent Debt, and any Guarantees thereof permitted under clause (12) of the second paragraph of the "*—Certain covenants—Limitation on Indebtedness*" covenant constitute Senior Secured Indebtedness.

"**Significant Subsidiary**" means any Restricted Subsidiary that meets any of the following conditions:

(1) the Issuer and its Restricted Subsidiaries' investments in and advances to the Restricted Subsidiary exceed 10% of the total assets of the Issuer and its Restricted Subsidiaries on a consolidated basis as of the end of the most recently completed fiscal year;

(2) the Issuer's and its Restricted Subsidiaries' proportionate share of the total assets (after intercompany eliminations) of the Restricted Subsidiary exceeds 10% of the total assets of the Issuer and its Restricted Subsidiaries on a consolidated basis as of the end of the most recently completed fiscal year; or

(3) the Issuer's and its Restricted Subsidiaries' equity in the Consolidated EBITDA of the Restricted Subsidiary

exceeds 10% of the Consolidated EBITDA of the Issuer and its Restricted Subsidiaries on a consolidated basis for the most recently completed fiscal year.

"**Similar Business**" means (a) any businesses, services or activities engaged in by the Issuer or any of its Subsidiaries or any Associates on the Issue Date and (b) any businesses, services and activities engaged in by the Issuer or any of its Subsidiaries that are related, complementary, incidental, ancillary or similar to any of the foregoing or are extensions or developments of any thereof.

"**Specified Change of Control Event**" means the occurrence of any event that would constitute a Change of Control pursuant to the definition thereof; *provided* that immediately thereafter and giving *pro forma* effect thereto, the Consolidated Net Leverage Ratio of the Issuer would have been equal to or less than 4.15 to 1.00. Notwithstanding the foregoing, only one Specified Change of Control Event shall be permitted under the Indenture after the Issue Date.

"**Standard Securitization Undertakings**" means representations, warranties, covenants, indemnities and Guarantees of performance entered into by the Issuer or any Subsidiary of the Issuer which a member of senior management or the Board of Directors of the Issuer has determined in good faith to be customary in a Receivables Financing, it being understood that any Receivables Repurchase Obligation shall be deemed to be a Standard Securitization Undertaking.

"**Stated Maturity**" means, with respect to any security, the date specified in such security as the fixed date on which the payment of principal of such security is due and payable, including pursuant to any mandatory redemption provision, but shall not include any contingent obligations to repay, redeem or repurchase any such principal prior to the date originally scheduled for the payment thereof.

"**Subordinated Indebtedness**" means, with respect to any Person, any Indebtedness (whether outstanding on the Issue Date or thereafter Incurred) which is expressly subordinated in right of payment to the Notes and any Notes Guarantee pursuant to a written agreement.

"**Subordinated Shareholder Funding**" means, collectively, (a) the Existing Convertible Bonds (*provided* that such Existing Convertible Bonds shall be subordinated to the Notes in accordance with clause (5) below) and (b) any funds provided to the Issuer by any Parent Entity, any Affiliate of any Parent Entity or any Permitted Holder or any Affiliate thereof, in exchange for or pursuant to any security, instrument or agreement other than Capital Stock, in each case issued to and held by any of the foregoing Persons, together with any such security, instrument or agreement and any other security or instrument other than Capital Stock issued in payment of any obligation under any Subordinated Shareholder Funding; *provided*, *however*, that any Subordinated Shareholder Funding described in clause (b) above:

(1) does not 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 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 accelerate and has no right to declare a default or event of default or take any enforcement action or otherwise require any cash payment, in each case, prior to the date that is six months following 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 Subsidiaries; and

(5) pursuant to the Intercreditor Agreement, an Additional Intercreditor Agreement or another intercreditor agreement, is fully subordinated and junior in right of payment to the Notes pursuant to subordination, payment blockage and enforcement limitation terms which are customary in all material respects for similar funding.

Subordinated Shareholder Funding shall be deemed to include any payment-in-kind ("**PIK**") notes issued in payment of interest thereon.

"**Subsidiary**" means, with respect to any Person:

(1) any corporation, association, or other business entity (other than a partnership, joint venture, limited liability company or similar entity) of which more than 50% of the total voting power of shares of Capital Stock entitled (without regard to the occurrence of any contingency) to vote in the election of directors, managers or trustees

thereof is at the time of determination owned or controlled, directly or indirectly, by such Person or one or more of the other Subsidiaries of that Person or a combination thereof; or

(2) any partnership, joint venture, limited liability company or similar entity of which:

(a) more than 50% of the capital accounts, distribution rights, total equity and voting interests or general or limited partnership interests, as applicable, are owned or controlled, directly or indirectly, by such Person or one or more of the other Subsidiaries of that Person or a combination thereof whether in the form of membership, general, special or limited partnership interests or otherwise; and

(b) such Person or any Subsidiary of such Person is a controlling general partner or otherwise controls such entity.

"**Successor Parent**" with respect to any Person means any other Person more than 50% of the total voting power of the Voting Stock of which is, at the time the first Person becomes a Subsidiary of such other Person, "beneficially owned" (as defined below) by one or more Persons that "beneficially owned" (as defined below) more than 50% of the total voting power of the Voting Stock of the first Person immediately prior to the first Person becoming a Subsidiary of such other Person. For purposes hereof, "beneficially owned" has a meaning correlative to the term "beneficial owner," as such term is defined in Rules 13d-3 and 13d-5 under the Exchange Act.

"**Taxes**" means all present and future taxes, levies, imposts, deductions, charges, duties, assessments and withholdings and any charges of a similar nature (including interest, penalties, additions to tax and other liabilities with respect thereto) that are imposed or levied by any government or other taxing authority.

"**Tax Sharing Agreement**" means any tax sharing or profit and loss pooling or similar agreement with customary or arm's length terms entered into with any Parent Entity, any Subsidiary of a Parent Entity or any Unrestricted Subsidiary, as the same may be amended, supplemented, waived or otherwise modified from time to time in accordance with the terms thereof and of the Indenture.

"**Temporary Cash Investments**" means any of the following:

(1) any investment in:

(a) direct obligations of, or obligations Guaranteed by, (i) a member state of the European Union, the United Kingdom, Norway, Switzerland, Canada, the United States of America, any State of the United States or the District of Columbia, (ii) any country in whose currency funds are being held specifically pending application in the making of an investment or capital expenditure by the Issuer or a Restricted Subsidiary in that country with such funds or (iii) any agency or instrumentality of any such country or member state, or

(b) direct obligations of any country recognized by the United States of America rated at least "A" by S&P or "A-1" by Moody's (or, in either case, the equivalent of such rating by such organization or, if no rating of S&P or Moody's then exists, the equivalent of such rating by any Nationally Recognized Statistical Rating Organization);

(2) overnight bank deposits, and investments in time deposit accounts, certificates of deposit, bankers' acceptances and money market deposits (or, with respect to foreign banks, similar instruments) maturing not more than one year after the date of acquisition thereof issued by:

(a) any lender under the Revolving Credit Facility,

(b) any institution authorized to operate as a bank in any of the countries or member states referred to in subclause (1)(a) above, or

(c) any bank or trust company organized under the laws of any such country or member state or any political subdivision thereof,

in each case, having capital and surplus aggregating in excess of €250 million (or the foreign currency equivalent thereof) and whose long-term debt is rated at least "A" by S&P or "A-2" by Moody's (or, in either case, the

equivalent of such rating by such organization or, if no rating of S&P or Moody's then exists, the equivalent of such rating by any Nationally Recognized Statistical Rating Organization) at the time such Investment is made;

(3) repurchase obligations with a term of not more than 30 days for underlying securities of the types described in clause (1) or (2) above entered into with a Person meeting the qualifications described in clause (2) above;

(4) Investments in commercial paper, maturing not more than 270 days after the date of acquisition, issued by a Person (other than the Issuer or any of its Subsidiaries), with a rating at the time as of which any Investment therein is made of "P-2" (or higher) according to Moody's or "A-2" (or higher) according to S&P (or, in either case, the equivalent of such rating by such organization or, if no rating of S&P or Moody's then exists, the equivalent of such rating by any Nationally Recognized Statistical Rating Organization);

(5) Investments in securities maturing not more than one year after the date of acquisition issued or fully Guaranteed by any state, commonwealth or territory of any member state of the European Union, the United Kingdom, Norway, Switzerland, Canada or the United States of America, or by any political subdivision or taxing authority of any such state, commonwealth, territory, country or member state, and rated at least "BBB-" by S&P or "Baa3" by Moody's (or, in either case, the equivalent of such rating by such organization or, if no rating of S&P or Moody's then exists, the equivalent of such rating by any Nationally Recognized Statistical Rating Organization);

(6) bills of exchange issued in any member state of the European Union, the United Kingdom, Norway, Switzerland, Canada or the United States of America, any State of the United States or the District of Columbia eligible for rediscount at the relevant central bank and accepted by a bank (or any dematerialized equivalent);

(7) any money market deposit accounts issued or offered by a commercial bank organized under the laws of a country that is a member of the Organisation for Economic Co-operation and Development, in each case, having capital and surplus in excess of €250 million (or the foreign currency equivalent thereof) or whose long term debt is rated at least "A" by S&P or "A-2" by Moody's (or, in either case, the equivalent of such rating by such organization or, if no rating of S&P or Moody's then exists, the equivalent of such rating by any Nationally Recognized Statistical Rating Organization) at the time such Investment is made;

(8) investment funds investing at least 95% of their assets in securities of the type described in clauses (1) through (7) above (which funds may also hold reasonable amounts of cash pending investment and/or distribution); and

(9) investments in money market funds complying with the risk limiting conditions of Rule 2a-7 (or any successor rule) of the SEC under the U.S. Investment Company Act of 1940, as amended.

"**Transactions**" has the meaning assigned to such term in the Offering Memorandum. "**Uniform Commercial Code**" means the New York Uniform Commercial Code. "**Unrestricted Subsidiary**" means:

(1) any Subsidiary of the Issuer that at the time of determination is an Unrestricted Subsidiary (as designated by the Board of Directors of the Issuer in the manner provided below); and

(2) any Subsidiary of an Unrestricted Subsidiary.

The Board of Directors of the Issuer may designate any Subsidiary of the Issuer (including any newly acquired or newly formed Subsidiary or a Person becoming a Subsidiary through merger, consolidation or other business combination transaction, or Investment therein) to be an Unrestricted Subsidiary only if, at the time of such designation:

(1) such Subsidiary or any of its Subsidiaries does not own any Capital Stock or Indebtedness of, or own or hold any Lien on any property of, the Issuer or any other Subsidiary of the Issuer which is not a Subsidiary of the Subsidiary to be so designated or otherwise an Unrestricted Subsidiary; and

(2) such designation and the Investment of the Issuer in such Subsidiary complies with the covenant described under "*—Certain covenants—Limitation on Restricted Payments*."

Any such designation by the Board of Directors of the Issuer shall be evidenced to the Trustee by filing with the Trustee a copy of the resolution of the Board of Directors of the Issuer giving effect to such designation and an Officer's Certificate certifying that such designation complies with the foregoing conditions.

The Board of Directors of the Issuer may designate any Unrestricted Subsidiary to be a Restricted Subsidiary; *provided* that immediately after giving effect to such designation (1) no Default or Event of Default would result therefrom and

(2) (x) the Issuer could Incur at least €1.00 of additional Indebtedness under the first paragraph of the "*—Certain covenants—Limitation on Indebtedness*" covenant or (y) the Fixed Charge Coverage Ratio would not be less than it was immediately prior to giving effect to such designation, in each case, on a *pro forma* basis taking into account such designation. Any such designation by the Board of Directors of the Issuer shall be evidenced to the Trustee by promptly filing with the Trustee a copy of the resolution of such Board of Directors giving effect to such designation or an Officer's Certificate certifying that such designation complied with the foregoing provisions.

"**Voting Stock**" of a Person means all classes of Capital Stock of such Person then outstanding and normally entitled to vote in the election of directors.

"**Wholly Owned Subsidiary**" means a Restricted Subsidiary, all of the Capital Stock of which (other than directors' qualifying shares or shares required by any applicable law or regulation to be held by a Person other than the Issuer or another Wholly Owned Subsidiary) is owned by the Issuer or another Wholly Owned Subsidiary.

LIMITATIONS ON VALIDITY AND ENFORCEABILITY OF THE NOTES GUARANTEES AND THE SECURITY INTERESTS AND CERTAIN INSOLVENCY LAW CONSIDERATIONS

The following is a summary of certain limitations on the validity and enforceability of the Notes Guarantees and the Security Interests being provided for the Notes, and a summary of certain insolvency law considerations in each of the jurisdictions in which the Issuer and the Guarantors are incorporated or organized. The description below is only a summary, and does not purport to be complete or to discuss all of the limitations or considerations that may affect the validity and enforceability of the Notes or the Notes Guarantees or Security Interests being provided for the Notes. Prospective investors in the Notes should consult their own legal advisors with respect to such limitations and considerations.

European Union

EU Insolvency Regulation

The Issuer and certain of the Guarantors are organized under the laws of EU Member States of the European Union.

Pursuant to 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**"), which was published in the Official Gazette of the European Union on June 5, 2015 and applies to insolvencies which commenced after June 26, 2017 (subject to certain exceptions), the EU Insolvency Regulation applies within the European Union (other than Denmark and other than in respect of certain insurance, credit institution and investment undertakings) to public collective insolvency proceedings listed in its Annex A, the courts of the EU Member State in which a debtor's "center of main interests" (as that term is used in Article 3(1) of the EU Insolvency Regulation) is situated have jurisdiction to open main insolvency proceedings relating to such debtor. The determination of where a debtor has its center of main interests is a question of fact on which the courts of the different EU Member States may have differing and even conflicting views.

Pursuant to Article 4 of the EU Insolvency Regulation, a court requested to open insolvency proceedings is required to examine whether it has jurisdiction pursuant to Article 3 and, pursuant to Article 5, such decision may be challenged by the debtor or any creditor on grounds of international jurisdiction.

Article 3(1) of the EU Insolvency Regulation provides that the center of main interests ("**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) and by Recital (31), a rebuttable presumption that a debtor has its COMI in the EU Member State in which it has its registered office in the absence of proof to the contrary. That presumption shall only apply if the registered office of the legal person has not been moved to another EU Member State within the three-month period prior to the request for the opening of insolvency proceedings. Specifically, the presumption of the center of main interests being at the place of the registered office should be rebuttable if the debtor's central administration is located in an EU Member State other than the one where it has its registered office, and where a comprehensive assessment of all the relevant factors establishes, in a manner that is ascertainable by third parties, that the debtor's actual center of management and supervision and the center of the management of its interests is located in that other EU 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 taken into consideration a number of factors in determining a debtor's COMI, including in particular where board meetings are held, the location where the debtor conducts the majority of its business or has its head office and the location where the majority 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 EU 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 EU 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 EU Member State.

If a debtor's COMI is in a EU Member State (other than Denmark), under Article 3(2) of the EU Insolvency Regulation, the courts of another EU Member State (other than Denmark) have jurisdiction to commence "territorial proceedings" (before the opening of the main insolvency proceedings) or "secondary proceedings" (after the opening of the main 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 EU Member State or had an establishment in such EU Member State in the three-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 three-month period prior to the request to commence main insolvency proceedings a non-transitory economic activity with human means and assets."

Where main proceedings have been commenced in the EU Member State in which the debtor has its COMI, any proceedings commenced subsequently in another EU 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 EU Member State.

Where main proceedings in the EU 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 EU Member State where the debtor has an establishment where either (a) insolvency proceedings cannot be commenced in the EU Member State in which the debtor's COMI is situated under that EU 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 EU 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 EU 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 EU 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 EU 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 EU Member State at the time of the opening of proceedings. Rights in rem include:

- the right to dispose of assets or have them disposed of and to obtain satisfaction from the proceeds of or income from those assets, in particular by virtue of a lien or a mortgage;
- the exclusive right to have a claim met, in particular a right guaranteed by a lien in respect of the claim or by assignment of the claim by way of a guarantee;
- the right to demand assets from, and/or to require restitution by, anyone having possession or use of them contrary to the wishes of the party so entitled; and
- a right in rem to the beneficial use of assets.

The courts of all EU 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 EU 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 EU 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 EU Member State in another EU Member State (such as to remove assets of the debtor from that other EU Member State) subject to certain limitations, as long as no insolvency proceedings have been commenced in that other EU Member State or no preservation measures have been taken to the contrary further to a request to commence insolvency proceedings in that other EU Member State where the debtor has assets.

In the event that the Issuer or any of its subsidiaries experience financial difficulty, it is not possible to predict with certainty in which jurisdiction or jurisdictions insolvency or similar proceedings would be commenced, or the outcome of such proceedings. Applicable insolvency laws may affect the enforceability of the obligations assumed by and of the security interests in the Collateral granted by the Issuer and the Guarantors.

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 EU Member State by giving a unilateral undertaking in respect of the assets located in the EU 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 EU 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 EU 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. Where the court stays the process of realization of the assets, the court may require the insolvency practitioner in the main insolvency proceedings to take any suitable measure to guarantee the interests of the creditors in the secondary insolvency proceedings and of individual classes of creditors.

The EU Insolvency Regulation provides:

- 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;

- for specific cooperation, communication and coordination measures in order to ensure the efficient administration of insolvency proceedings relating to different companies forming part of the same group;

- that the EU Member States shall establish and maintain a register of insolvency proceedings; and

- that the European Commission shall establish a decentralized system for the interconnection of such insolvency registers.

The United Kingdom ceased to be a member of the EU on January 31, 2020 at 11.00 p.m. (the "**Exit Day**") and therefore is no longer a EU Member State. The European Union Withdrawal Agreement ("**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 entered into force effectively on May 1, 2021. At this stage, 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 such 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 No. 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 EU Restructuring Directive provides for a framework pursuant to which (a) a stay of individual enforcement actions by creditors against debtors must be introduced by EU 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 EU 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 ("**Cross-Class Cram-Down**"). 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 the restructuring.

The EU Restructuring Directive had to be transposed into national laws or regulations by EU Member States by July 17, 2021 (with the exception of the provisions relating to the use of electronic means of communication for which the time period for the transposition expires in certain respects on July 17, 2024 or, in others, on July 17, 2026), subject to a maximum one year extension of the transposition period for EU Member States encountering particular difficulties in implementing the EU Restructuring Directive.

French statute No. 2019-486 dated May 22, 2019 ("*Loi Pacte*") granted the French government twenty-four months to enact appropriate measures through ordinances for the transposition of the EU Restructuring Directive.

In order to transpose the EU Restructuring Directive into French law, the French government issued:

- Ordinance No. 2021-1193 dated September 15, 2021 amending Book VI of the French Commercial Code transposed the EU Restructuring Directive into French law. The new French law contained in Ordinance No. 2021-1193 published in the Official Journal (*Journal Officiel*) on September 16, 2021 applies to proceedings commenced from October 1st, 2021, subject to some exceptions.

- Decree No. 2021-1218 dated September 23, 2021, for the implementation of the Ordinance No. 2021-1193 dated September 15, 2021.

France

Insolvency

We conduct most of our business activity in France and, to the extent that the registered office of the Issuer or any of the Guarantors or its main centre of interests within the meaning of Article R. 600-1 of the French Commercial Code is deemed to be in France, they could be subject to confidential French court-assisted proceedings (*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) their COMI is deemed to be in France or they have an establishment in France or, (ii) in cases where the EU Insolvency Regulation does not apply, their registered office or their main centre of interests within the meaning of Article R. 600-1 of the French Commercial Code, is deemed to be in France, they could also be subject to French court-administered proceedings affecting creditors, *i.e.,* either safeguard proceedings or accelerated safeguard proceedings (*sauvegarde* or *sauvegarde accélérée*), judicial reorganization proceedings (*redressement judiciaire*) or judicial liquidation proceedings (*liquidation judiciaire*).

Annex A of the EU Insolvency Regulation lists safeguard, accelerated safeguard, accelerated financial safeguard (which does no longer exist and was replaced by one single proceeding namely accelerated safeguard proceedings by Ordinance No. 2021-1193 dated September 15, 2021), 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.

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) (y) €20 million in net turnover and 250 employees or (z) €40 million 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 centre 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 thresholds), accordingly, a court can supervise the insolvency proceedings of the whole group and may, for this purpose, appoint the same administrator (*administrateur judiciaire*) and creditors' representative (*mandataire judiciaire*) for all proceedings in respect of members of the group.

In general, French insolvency legislation favors the continuation of a business and protection of employment over the payment of creditors and could limit your ability to enforce your rights under the Notes and/or the Notes Guarantees granted by the French Guarantors, as defined below, and corresponding security interests in the Collateral.

The following is a general discussion of preventive and insolvency proceedings governed by French law for informational purposes only and does not address all the French legal considerations that may be relevant to holders of the Notes.

Grace periods

In addition to insolvency laws discussed below, the holders of the Notes could, like any other creditors, be subject to Article 1343-5 of the French Civil Code (*Code civil*).

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. In addition, French courts may 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 the repayment of principal. A court order made under Article 1343-5 of the French Civil Code will suspend any pending enforcement measures initiated by the creditors, 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 "*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 (*date d'état de cessation des paiements*) is generally deemed to be the date of the court ruling commencing the judicial reorganization or judicial liquidation proceedings (only), unless the court sets an earlier date, which may be carried back up to 18 months before the date of such court ruling. 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 "*The hardening period (période suspecte) in judicial reorganization and liquidation proceedings only"*).

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 "*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 president of the competent court who 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 accept not to do so for their duration. 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 "*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 a debtor itself if it faces actual or foreseeable difficulties of a legal, economic or financial nature but (at the time the *conciliation* proceedings are commenced) is not insolvent (see "*Insolvency test*" above) or has not been insolvent for more than 45 calendar days. *Conciliation* 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 *conciliateur*, the president of 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 (depending on whether the agreement was acknowledged or approved).

The duties of the *conciliateur* are to assist the debtor in negotiating an agreement with all or part of its creditors and/or trade partners 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: (i) 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 for their duration and (ii) creditors may not request the opening of insolvency proceedings (*redressement judiciaire or liquidation judiciaire*) 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 (debt rescheduling for a maximum of two years) in accordance with Article 1343-5 of the French Civil Code (see "*Grace periods*" above) provided that a creditor has formally put the debtor on notice to pay, or is suing for payment or does not accept, by the deadline set by the *conciliateur*, a request made by the *conciliateur* to defer payment of his claim.

Moreover, if a creditor does not accept, by the deadline set by the *conciliateur*, a request made by the *conciliateur* to defer payment of its unmatured claim, the judge may defer or reschedule the payment of this unmatured claim for the duration of the *conciliation* proceedings (*i.e.,* a maximum period of five months). The judge will take his/her decision after having

heard the *conciliateur* and may condition the duration of the measures it orders to reaching an agreement in the *conciliation* proceedings.

The *conciliation* agreement reached between the debtor and its creditors and/or trade partners and/or other stakeholders may be either acknowledged (*constaté*) by the President of the Court at the request of the parties to the conciliation agreement, which makes the agreement binding upon them (in particular, performance of the *conciliation* agreement prevents any action by the creditors party thereto against the debtor to obtain payment of claims governed by the *conciliation* agreement) and 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 court at the request of the debtor following a hearing held for that purpose, to which the social and economic committee, 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 *conciliation* agreement effectively ensures that the company will continue 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 acknowledgement (*constatation*) as described above and, in addition:

- the decision of approval by the relevant court, which should only disclose the amount of any New Money 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 social and economic committee that is 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;

- creditors 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 certain pre-commencement or post-commencement employment claims and procedural costs) (the "**New Money Lien**"), in the event of subsequent safeguard proceedings, judicial reorganization proceedings or judicial liquidation proceedings;

- in the event of subsequent safeguard, accelerated safeguard, judicial reorganization or judicial liquidation proceedings, the claims benefiting from the New Money Lien may not, without their holders' consent, be rescheduled nor written off, not even by the classes of affected parties by the safeguard or reorganization plan;

- when the debtor is submitted to statutory auditing, the *conciliation* agreement is communicated to its statutory auditors; and

- in the event of subsequent judicial reorganization proceedings or judicial liquidation proceedings, the date of insolvency (see "*Insolvency test*" above), and therefore the starting date of the hardening period (*période suspecte*) (as defined below—see *The hardening period (période suspecte) in judicial reorganization and liquidation proceedings*) in judicial reorganization and liquidation proceedings, 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 *conciliateur* to monitor the implementation of the agreement (*mandataire à l'exécution de l'accord*) during its performance and while it is in force:

- interest accruing on the affected claims that are the subject to the *conciliation* agreement may not be compounded;

- pursuant to Article L. 611-10-1 of the French Commercial Code, the debtor retains the right, during the performance period of a conciliation agreement, to petition the judge having commenced 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 made after hearing the *conciliateur* if he/she has been appointed to monitor the implementation of the agreement and, taking into account the conditions of its performance; and

- pursuant to Article L. 611-10-2 of the French Commercial Code, a joint-debtor and a third party having previously granted credit support (a guarantee (*sûreté personnelle*) or security interest (*sûreté réelle*)) 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 in the context of *conciliation* proceedings and during the performance of the *conciliation* agreement.

In the event of a breach 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. If such termination is granted, grace periods granted in relation to the *conciliation* proceedings may 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 the payments already received) and pre-existing security interests or guarantees. Nevertheless, the termination of the *conciliation* agreement does not invalidate the provisions the purpose of which is to organize the consequences arising out of the termination of the *conciliation* agreement.

Conciliation proceedings, in the context of which a draft plan has been negotiated and is supported by a majority of creditors large enough to render likely to meet the threshold requirements for creditors' consent in safeguard proceedings, is a mandatory preliminary step of accelerated safeguard proceedings, as described below.

At the request of the debtor and after the participating creditors have been consulted on the matter, *mandat ad hoc* and *conciliation* proceedings may also be used to organize the partial or total sale of the debtor, in particular through a "plan for the disposal of the business" (Prepack sale - *plan de cession*) which would be implemented, as applicable, in the context of subsequent safeguard, judicial reorganization or liquidation proceedings. Provided that they comply with certain requirements, any offers received in this context by the *mandataire ad hoc* or the *conciliateur* may be directly considered by the court in the context of safeguard, judicial reorganization or judicial liquidation proceedings after consultation of the State prosecutor.

As a matter of law, two types of contractual provisions are deemed null and void: (i) any provision that modifies the conditions for the continuation of an ongoing contract by reducing the debtors' rights or increasing its obligations simply by reason of the appointment of a *mandataire ad hoc* or of the commencement of *conciliation* proceedings or of a request submitted to this end and (ii) any provision forcing 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 whom the creditors have retained in connection with these proceedings.

Where the debtor cannot manage to reach an agreement with its creditors within the maximum time period allotted to court-assisted proceedings, the court will terminate those proceedings. The termination of amicable proceedings does not, in and of itself, entail 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 during a three-month period following the termination of the previous one (*délai de carence*).

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 "*Insolvency Test*"). Where it is not demonstrated that the debtor is experiencing difficulties that it is not able to overcome, the court may invite the debtor to request the opening of *conciliation* proceedings. 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.

The objectives of safeguard proceedings are the sustainability of the business, the preservation of employment and the payment of creditors, in that order.

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) within the list of judicial administrators (whose name can be proposed by the debtor or the State prosecutor). At the request of the debtor or the State prosecutor, or by the court on its own, two or more administrators can be appointed. The appointment of several administrators becomes mandatory when the debtor (i) owns at least three establishments outside the jurisdiction of the court where it is registered, or (ii) holds or controls (as provided by Articles L. 233-1 or L. 233-3 of the French Commercial Code) at least two companies subject to court-administered proceedings, or (iii) is held or controlled (as provided by the same articles) by a company subject to court-administered proceedings, such company itself holding or controlling another company subject to such proceedings, and (iv) generates at least €20 million of net turnover (for (ii) and (iii)). The administrator is appointed 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 twelve 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 that may include a partial sale of the business only. 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 either, 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. Disposal decisions that fall outside the scope of the ordinary course of business, among others require the prior approval of the supervisory judge (*e.g.,* granting security interests or settling disputes). The supervisory judge can appoint one to five controllers (*contrôleurs*) among the creditors who have filed a request, provided they meet certain conditions (in particular no affiliation to the debtor). Controllers (*contrôleurs*) assist the creditors' representative in his functions and the supervisory judge in his duty of supervising the progress of the insolvency proceedings. In order to protect creditors' interests and under certain conditions, the controllers may act in the interests of the creditors when the creditors' representative fails to take sufficient action.

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 State 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 State prosecutor or on its own initiative except in the case of (i) (b) above, where:
    - the court may not act on its own initiative, and
    - the court-appointed administrator, the creditors' representative or the State prosecutor may only act in the event that no plan has been adopted by the classes of affected parties (as described below);
- 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 supervisory judge as controllers ("***Contrôleurs***") (if any), the State prosecutor and the social and economic committee (if any).

As soon as the proceedings are commenced, any unpaid amount of share capital of the debtor becomes immediately due and payable.

Ordinance No. 2021-1193 dated September 15, 2021 created a new post money privilege as an incentive for new financings granted to debtors in the context of safeguard or judicial reorganization proceedings (the "**Post Money Lien**"). The Post Money Lien applies exclusively to proceedings commenced from October 1, 2021. The Post Money Lien also applies in the event of an amendment to the safeguard plan or reorganization plan adopted in proceedings commenced before May 22, 2020.

- The Post Money Lien applies to all new cash contributions made, with the exception of those made through a share capital increase, by any person:
    - in order to ensure the continuity of debtor's business during the observation period, in which case such cash contributions must be authorized by the supervisory judge, or
    - for the implementation of the safeguard or reorganization plan, *i.e.*, within the plan as approved or amended by the court, and for the purposes of its performance, it being specified that both the draft plan on which the affected parties are called upon to vote and the judgment must mention all claims benefiting from the privilege, as well as the relevant amounts.

- Claims benefiting from the Post Money Lien enjoy a priority of payment over pre-commencement and post-commencement claims (subject to certain exceptions including certain pre-commencement or post-commencement employment claims, procedural costs and claims benefiting of the New Money Lien as defined above) in the event of on-going or subsequent safeguard proceedings, judicial reorganization proceedings or judicial liquidation proceedings.

- Such claims may not be termed-out or written-off without the consent of the relevant creditors in subsequent safeguard proceedings, judicial reorganization proceedings or liquidation proceedings.

Once safeguard proceedings have been commenced, there will be an automatic stay on certain claims. Payment by the debtor of any debts incurred (i) prior to the commencement of the proceedings or (ii) after the commencement of the safeguard proceedings and if they do not relate to expenses necessary for the debtor's business activities during the observation period, are not for the requirements of the proceedings, or not in consideration for services rendered or goods delivered to the debtor during this period is prohibited, subject to very limited exceptions. For example, the supervisory judge can authorize payments for pre-commencement debts in order to discharge a lien on property needed to continue the debtor's operation or to recover goods or rights transferred as collateral in a fiduciary estate (*patrimoine fiduciaire*) (see "*Status of Creditors During Safeguard, Accelerated Safeguard, Judicial Reorganization or Judicial Liquidation Proceedings*").

The supervisory judge may also authorize the payment to a carrier exercising an action against ultimate client or a compromise or settlement agreement with a carrier, or the granting of any contractual security interest to guarantee a post-commencement claim.

During the safeguard proceedings, any increase in the perimeter of a contractual security interest or a contractual right of retention, regardless of the method used, is prohibited. Consequently, margin call provisions are neutralized. This prohibition does not apply to any assignment of receivables as set forth in Articles 313-23 and seq. of the French Monetary and Financial Code if the framework master agreement was entered into before the commencement of the proceedings.

Creditors (and, if applicable, Equity Holders) must be consulted on the manner in which the debtor's liabilities will be settled under the plan (debt write-offs, payment terms or debt-for-equity-swaps) prior to the plan being approved by the court. The rules governing consultation vary according to the size of the business.

Standard consultation: for debtors which have (i) less than 250 employees and less than a net turnover of €20 million or (ii) less than a net turnover of €40 million. This also applies in respect of debtors which own or control other entities within the meaning of Articles L. 233-1 and L. 233-3 of the French Commercial Code, who fall below these thresholds. If so requested by the debtors and with the consent of the supervisory judge, creditors may also be subject to the class-based consultation.

In such case, the administrator notifies the proposals for the settlement of debts to the court-appointed 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 the consultation stage. According to legal commentaries and established practice, in the absence of a specific legislative prohibition, differing treatment as between creditors can be possible, provided that it is justified by the specific position of the creditors and approved by the court-appointed creditors' representative. In practice, it is also possible at the consultation stage to make a proposal for a partial payment of the claim over a shorter time period instead of a full payment of the claim 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 do not need 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, if the creditors refuse the proposals that were submitted to them, the court that approves the safeguard plan (*plan de sauvegarde*) can impose on them a uniform rescheduling of their claims (subject to specific regimes such as the one applicable to claims benefiting from the New Money Lien or the Post Money Lien) over a maximum period of ten years (except for agricultural businesses where the maximum is fifteen years and for claims

with maturity dates of more than the deferral period set by the court, in which case the maturity date 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.

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 at least 5% of the amount of each debt claim and from the sixth year onwards, at least 10% (except for agricultural businesses)) or on the first payment date following the initial maturity of the claim if it is later than the first payment date provided for by the plan, in which case the amount of such first payment is equal to what the creditor would have received had he or she 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 applicable legal 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 (which cannot exceed the duration of the plan) 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 large companies with (i) at least 250 employees and a net turnover of €20 million or (ii) with a net turnover of at least €40 million, or upon the debtor's request and with the consent of the supervisory judge in the case of debtors that do not meet the aforementioned thresholds.

Are considered as "affected parties" (i) any creditors the rights of which are directly affected by the restructuring plan, (ii) or any stakeholders which hold an instrument giving access either immediately or on a deferred basis to the debtor's share capital in the event of their stake in the debtor's capital, the debtor's articles of association, or such stakeholder's rights are modified by the draft plan (the "**Equity Holders**").

Only the affected parties can vote on the draft plan.

The affected parties shall inform the court-appointed administrator (*administrateur judiciaire*), within 10 days from the notice sent by the court-appointed administrator, of any intercreditor agreements entered into before the commencement of the proceedings. Failing this, these intercreditor agreements are unenforceable to the proceedings.

The composition of the classes of affected parties are determined in light of the claims and rights arising prior to the date of the judgment commencing the proceedings. The court-appointed administrator divides the affected parties into classes, which reflect sufficient commonality of interest, based on verifiable criteria, provided that the following conditions are satisfied:

- creditors holding security interests over the debtor's assets, for their secured claims, and unsecured creditors are members of separate classes;
- composition of classes respects intercreditor agreements concluded before the commencement of the proceedings and notified to the administrator;
- Equity Holders are members of separate classes.

Claims arising under employment contracts, pension rights acquired under an occupational pension scheme and maintenance claims arising from a family relationship are excluded from the class-based consultation and therefore are not affected by the plan.

At least 21 days before the date of the vote, the court-appointed administrator must submit to each affected party the rules governing the class formation criteria and the voting rights with respect to the class(es) to which affected parties belong. The amount of the claims taken into account shall be the amount indicated by the debtor and certified by its statutory auditor(s) or, where no statutory auditor has been appointed, established by its chartered accountant. In the case of affected parties which are beneficiaries of a trust (*fiducie*) set up as a guarantee by the debtor, only the amounts of their claims not guaranteed by such a security shall be taken into account. Where there is an indexation clause, the amount of interest remaining due on the date of the judgment commencing the proceedings is calculated at the rate applicable on the date of that judgment. Foreign currency receivables are converted into euros at the exchange rate on the date of the judgment. In the event of disagreement, each affected party, the debtor, the public prosecutor, the creditors' representative or the court-appointed administrator can challenge the rules governing the class formation criteria or the voting rights before the supervisory judge (*juge-commissaire*), within 10 days from the notification or publication of such rules.

The supervisory judge must rule on such challenge within 10 days. In the absence of a decision by the supervisory judge in the 10 days period, the matter may be referred to the court. Appeal against the supervisory judge's decision has to be filed within 5 days of his/her order. The court of appeal then has 15 days to rule. There is no possibility to submit a challenge before the French Supreme Court.

The debtor, with the assistance of the court-appointed administrator, is in charge of preparing the draft plan. The draft plan shall be sent to the classes for a vote. The draft plan may, in particular, provide for rescheduling or cancellation of debts and/or debt-for-equity swaps. The classes of affected parties must approve or reject the safeguard plan within 20 to 30 days of its submission. The period may be extended or shortened but may never be shorter than 15 days, by the supervisory judge, upon prior request of the debtor or the court-appointed administrator. The plan must be approved by a majority vote of each class of affected parties (two-thirds of the votes held by the members casting a vote).

The class or classes of Equity Holders vote in accordance with the provisions applicable to either extraordinary general meetings, shareholders' meetings and special meetings or bondholders' general meetings, as the case may be. Within a class, the vote on the adoption of the plan may be replaced by an agreement which, after consultation with its members, has received the approval of two-thirds of the voting rights.

When the classes have adopted the draft plan, the court rules upon it and verifies that the following conditions are met:

- the plan has been adopted in accordance with the rules regarding the affected parties and their classification into classes;

- the affected parties sharing a sufficient community of interest within the same class benefit from equal treatment and are treated in proportion to their claim or right;

- all affected parties have been duly notified of the plan;

- if some affected parties have voted against the draft plan, none of these affected parties is worse off under a restructuring plan than such a creditor would be if the normal ranking of liquidation priorities under were applied, either in the event of liquidation, whether piecemeal or by sale as a going concern, or in the event of the next-best-alternative scenario if the restructuring plan were not confirmed (The "**Best Interest of Creditors Test**"). If a party voting against a draft plan argues the judgment does not satisfy the Best Interest of Creditors Test, the court will determine the value of the company on a going concern basis;

- where applicable, any new financing is necessary to implement the plan and does not excessively affect the interests of the affected parties.

The court may refuse to approve 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 court must check that the interests of all creditors are "sufficiently protected." The judgement adopting the plan renders the plan enforceable against all (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).

If the plan is not approved by the required majority of each class of affected parties, it may be approved (*arrêté*) by the court at the request of the debtor or the court-appointed administrator with the agreement of the debtor and be imposed on the parties that voted against the draft plan (Cross-Class Cram-Down), where the plan meets the following conditions:

- the plan complies with the conditions for the adoption of the plan by the court mentioned above;
- the plan has been approved by:
    - a majority of the classes of affected parties entitled to vote, including at least one class of secured creditors or a class ranking higher than the class of unsecured creditors; or, if such condition is not met,
    - by at least one of the classes of affected parties entitled to vote, other than a class of Equity Holders or any other class which, after determination of the value of the debtor as a going concern, it may reasonably be assumed it would not be entitled to any payment, if the order of priority of creditors for the distribution of the assets in liquidation proceedings or of the sale plan (*plan de cession*) were applied;
- the claims of a dissenting class of affected creditors shall be paid in full (by identical or equivalent means) if a more junior class receives any distribution or keeps any interest under the restructuring plan (the "*absolute priority rule*") (the court may decide to waive this condition under certain conditions);
- under the safeguard plan, no class of affected parties may receive or retain more than the total amount of its claims or interests;
- in the case of one or more dissenting classes of Equity Holders:
    - the formation of classes of affected parties was compulsory regarding the thresholds met by the debtor (*i.e.,* 250 employees and a net turnover of €20 million or with a net turnover of at least €40 million at the Group level);
    - it may reasonably be assumed, after determination of the value of the debtor as a going concern, that the dissenting classes of Equity Holders would not be entitled to any payment or retain any interest if the order of priority of creditors for the distribution of the assets in liquidation proceedings or of the sale plan (*plan de cession*) were applied;
    - if the draft plan provides for a share capital increase subscribed in cash or by way of set off, the shares to be issued are offered in preference to the existing shareholders, in proportion to the part of the share capital represented by their shares;
    - the plan does not provide for the sale of all or part of the rights of the dissenting class or classes of Equity Holders.

The decision of the court shall constitute approval of the changes to the shareholding structure or to the rights of the Equity Holders or to the articles of association provided for in the plan. The court may appoint an agent to carry out the acts necessary for the implementation of these amendments.

As for plans adopted through a standard consultation, if the court adopts a safeguard plan, it can set up a time-period (which cannot exceed the duration of the plan) 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.

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:

- the best interest test criterion has not been met; or
- the condition relating to the adoption of the draft plan by at least one of the classes of affected parties entitled to vote (other than a class of Equity Holders or any other class which, after determining the value of the debtor as a going concern, it is reasonable to assume would not be entitled to any payment if the order of payment in a judicial liquidation was applied (whether in the event of a piecemeal sale or, a court-ordered sale plan)) has not been met; or
- in the event of a cross class-cram-down on Equity Holders, the condition relating to the debtor's value criterion has not been met (*i.e.,* it is reasonable to assume, 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 payment applicable in a judicial liquidation was 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.

The decision made by the court regarding the adoption of the plan may be appealed under the ordinary procedure within 10 days from its notification (or of its communication if the appeal was lodged by the State prosecutor). The decision of the court of appeal may be challenged before the French Supreme Court.

In case of failure to adopt the plan in safeguard proceedings, the alternatives are either the termination of these proceedings or the conversion into judicial reorganization proceedings. The imposition of an alternative plan and payment terms is not possible under safeguard proceedings.

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*). The accelerated safeguard proceedings are designed to "fast-track" difficulties faced by any debtor under Ordinance No. 2021-1193 dated September 15, 2021.

If the debtor does not meet the conditions that require the classes of affected parties to be constituted, the court opening accelerated safeguard proceedings must order such formation. In that regard, the court shall authorize such constitution for the commencement of accelerated safeguard proceedings.

To be eligible for accelerated safeguard proceedings, the debtor must fulfil the following conditions:

- its financial statements must have been certified by an auditor (*commissaire aux comptes*) or drawn-up by a chartered certified accountant (*expert-comptable*);
- the debtor must be subject to ongoing conciliation proceedings when it applies for the commencement of the proceedings;
- the debtor must have prepared a draft safeguard plan ensuring the continuation of its business as a going concern which is supported by enough affected parties involved in the proceedings to render its adoption by the relevant classes of affected parties likely within a maximum of two months, extendable for two months, following the commencement of accelerated safeguard proceedings;
- the debtor must not have been insolvent for more than 45 days when it initially applied for commencement of conciliation proceedings; and
- as is the case for regular safeguard proceedings, the debtor must face difficulties which it is not in a position to overcome.

When the debtor's accounts show that the nature of the indebtedness makes it likely that a plan will be adopted only by creditors having the status of finance companies, credit institutions and equivalent, as well as by all holders of a claim acquired from them or from a supplier of goods or services and, where applicable, bondholders, the debtor may request the commencement of safeguard proceedings, the effects of which are limited to these creditors. The debtor will be prohibited from paying, to any creditor to whom the accelerated safeguard proceedings apply, any amounts (including interest) in respect of debts incurred (i) prior to the commencement of the proceedings or (ii) after the commencement of the proceedings if not incurred for the purposes of the proceedings or the observation period or in consideration of services rendered/goods delivered to the debtor (post-commencement non-privileged debts). Such amounts may be paid only after the judgment of the court approving the safeguard plan and in accordance with its terms. The other creditors' debts will continue to be due and payable in the ordinary course of business according to their contractual or legal terms.

The regime applicable to standard safeguard proceedings in relation to the constitution of classes of affected parties is broadly applicable to accelerated safeguard proceedings (for example, affected parties will be consulted by way of a class-based consultation on a draft accelerated safeguard plan (*projet de plan de sauvegarde accélérée*) and affected parties may not prepare alternative draft plans as described above (see "*Class-based consultation*")), to the extent compatible with the accelerated timing, since the maximum duration of accelerated safeguard proceedings is four months (provided the court has decided to extend the initial two-month period).

However, certain provisions relating to ongoing contracts and 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 when classes of affected parties are set up and may notably provide for rescheduling, debt cancellation and conversion of debt into equity capital of the debtor (debt-for-equity swaps requiring relevant shareholder consent). No debt rescheduling or cancellation may be imposed, without their consent, on creditors that do not belong to one of the classes of affected parties.

If a plan is not adopted by the affected parties and approved by the court within the applicable deadlines, the court shall terminate the proceedings.

The list of claims of affected parties 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 "*Status of Creditors during Safeguard, Accelerated Safeguard, Judicial Reorganization or Judicial Liquidation Proceedings*" below).

Court-administered proceedings - judicial reorganization or liquidation proceedings

Judicial reorganization (*redressement judiciaire*) or liquidation proceedings (*liquidation judiciaire*) may be initiated against (*i.e.*, by a creditor or the State prosecutor) or by a debtor only if it is insolvent and, with respect to liquidation proceedings only, if the debtor's recovery is manifestly impossible. The debtor is required to petition for judicial reorganization or liquidation proceedings (or for *conciliation* proceedings, as discussed above) within 45 days of becoming insolvent if it does not file for conciliation proceedings. If it does not, *de jure* managers (including directors) and, as the case may be, *de facto* managers 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 propose to the debtor the commencement of judicial liquidation proceedings. 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 State prosecutor or upon its own initiative, the court may convert reorganization proceedings into liquidation proceedings if it appears that the debtor's recovery is manifestly impossible. In all cases, the court's decision is only taken after having heard the debtor, the court-appointed administrator, the creditors' representative, the controllers, the State prosecutor and the social and economic committee (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 safeguard plan) or, unlike safeguard proceedings, if it appears that a reorganization plan is not possible, the sale of the business (which will occur through an open bid process organized by the administrator) 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, subject to certain specificities.

In particular, the rules relating to creditor consultation, especially the powers of the court adopting the judicial reorganization plan (*plan de redressement*) in the event of rejection by the creditors of proposals made to them, are similar, subject to certain exceptions including:

- 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, without the debtor's approval (in addition to being requested by the debtor);

- any affected party may also prepare a concurrent reorganization draft plan which shall be submitted, together with the plan drafted by the debtor, to a vote of the classes of affected parties at the latest 15 days before the date of the vote;

- 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;

- if the classes of affected parties do not approve the reorganization plan, it may be approved (*arrêté*) by the court at the request of the debtor, the court-appointed administrator (with the debtor's consent) or any affected party and be imposed on the classes that voted against the draft plan (Cross-Class Cram-Down), where the plan meets the conditions of the Cross-Class Cram-Down mechanism;

- if the reorganization plan is not adopted by the classes of affected parties or according to the Cross-Class Cram-Down mechanism, the ability to impose an alternative plan according to the classic individual consultation and impose payment terms by the court is possible.

At any time during the observation period, the court can, at the request of the debtor, the court-appointed administrator, the creditors' representative (*mandataire judiciaire*), the State prosecutor or at its own initiative, order the partial sale of the activity (*cessation partielle de l'activité*) or order the liquidation of the debtor if its recovery is manifestly impossible. At the end of the observation period, the outcome of the proceedings is decided by the court.

In addition, Ordinance No. 2021-1193 dated September 15, 2021 modified the judicial reorganization proceedings to provide for the new Post Money Lien (as defined and detailed above see "*France—Court-administered Proceedings – Safeguard*").

In judicial reorganization proceedings, in the framework of individual standard consultation, 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 appoint a trustee (*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.

If the proposed reorganization plans are manifestly not likely to ensure that the debtor will recover or if no reorganization plan is proposed, the court, upon the request of the court-appointed administrator, can order the total or partial transfer of the business in accordance with the process for a sale of the business described below.

In judicial reorganization proceedings if (i) the company has at least 150 employees, or if it controls (within the meaning of the French Labor Code) one or more companies having together at least 150 employees, (ii) the disappearance of the company is likely to cause serious harm to the national or regional economy and to local employment and (iii) the modification of the company's share capital seems to be the only credible way to avoid harm to the national or regional economy and allows the continued operation of the business as a going concern, then at the request of the court-appointed administrator or of the State prosecutor (x) after the review of the options for a total or partial sale of the business and (y) if at least three months have elapsed as from the court decision commencing the proceedings, provided that the shareholders meetings required to approve the modification of the company's share capital required for adoption of the reorganization plan have refused such modification, the insolvency court may either:

- 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

- 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's shareholders' meetings, any consent clause being deemed unwritten; the other shareholders have the right to withdraw from the debtor and request that their shares be simultaneously purchased 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 which may not exceed the duration of the reorganization plan.

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 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). Managers are no longer in possession.

Concerning the liquidation of the assets of the debtor, there are two possible outcomes of such liquidation scenario, both of which are decided by the court without a vote of the creditors:

- 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 *in bonis* market value. The court will tend to favor a credible sale plan, that ensures the sustainability 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 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;

  - 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

  - 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 for example) 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 repaid in full of their claim so secured or unless reaching an agreement 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 *in bonis* market value;

- separate sales of the individual assets of the debtor, in which case the insolvency judge may decide to:

  - launch auction sales (*vente aux enchères* (or *adjudication amiable* for real estate assets only));

  - 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

  - 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 adopts 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 proceedings when (a) there are no remaining due liabilities and the liquidator has sufficient funds to pay off the creditors (*extinction du passif*), or (b) the continuation of the liquidation process becomes impossible due to insufficiency of assets (*insuffisance d'actif*).

The court may also terminate the proceedings when the interest of the continuation of the liquidation process is disproportionate compared to the difficulty of selling the assets or in the event where there are insufficient funds to pay off the creditors, 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 liquidation proceedings only

The date of insolvency (*cessation des paiements*) of a debtor is deemed to be the date of the court order commencing proceedings, unless the court sets an earlier date, which may be no earlier than 18 months before the date of such court order. Also, except in the case of fraud, the date of insolvency 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. The date of insolvency is important because it marks the beginning of the hardening period (*période suspecte*), being the period from the date of insolvency of the debtor to the court decision commencing the judicial reorganization or liquidation proceedings affecting it.

Certain transactions entered into during the hardening period are automatically void by the court 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, contractual security interest or contractual rights of retention constituted on the debtor's assets or rights guaranteeing debts having previously incurred (unless they replace a security interest having at least the same nature and perimeter and with the exception of the assignment of a claim provided for in Articles L. 313-23 and seq. of the French Monetary and Financial Code, made in performance of a framework agreement concluded prior to the date of cessation of payments), for debts having previously incurred, 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 successful safeguard or 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 (*Cour de cassation*) dated January 14, 2014, No. 12-22.909 regarding a judicial reorganization proceedings and in accordance with a decision of the French Supreme Court dated February 22, No 15-15.942 regarding a safeguard proceedings, which case law is likely to be extended to accelerated safeguard proceedings). The court-appointed administrator can, conversely, require that other parties to a contract continue to perform their obligations even though the debtor may have been in default before the commencement of the proceedings, but on the condition that the debtor fully performs its post-commencement contractual obligations (and provided that, in the case of reorganization proceedings, absent consent to other terms of payment, the debtor pays cash on delivery). The commencement of 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 "plan for the sale of the business" (*plan de cession*) (which it may do for a period of three months, renewable once), in which case the acceleration of the obligations will only occur on the date of the court decision adopting the "plan for the sale of the business" or on the date on which the continued operation of the business ends.

As from the court decision commencing the proceedings:

- 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 which is deferred by at least one year (however, accrued interest can no longer be compounded);

- the debtor is prohibited from paying debts incurred prior to the date of the court decision commencing the proceedings, subject to specified exceptions (which essentially cover the set-off of related (*compensation de créances connexe*s) debts and payments authorized by the supervisory judge (*juge-commissaire*) to recover assets required by the continued operation of the business or to pay a carrier requesting payment directly from the debtor);

- 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;

- 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 New Money Lien or a Post Money Lien), provided that they are duly brought to the attention of the judicial administrator or, failing one, the creditors' representative (*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;

- creditors (or beneficiaries of a security interest over tangible asset granted by the debtor to secure the debt of a third party) 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:

    - 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);

    - to terminate a contract for non-payment of amounts owed to the creditor; or

      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 EU 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 (provided no secondary proceedings are commenced in such EU 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).

- 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

- in the context of reorganization or liquidation proceedings only, absent consent to other terms of payment, immediate cash payment for services rendered pursuant to an ongoing contract (*contrats 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 ("*plan de sauvegarde*") or a judicial reorganization plan ("*plan de redressement*").

In accelerated safeguard proceedings, the above rules only apply to the creditors that fall within the scope of the proceedings. Debts owed to other 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 and securities arose prior to the commencement of proceedings must file a proof of claim with the court-appointed creditors' representative within two months of the publication of the court decision in an 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 or securities 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 (*juge-commissaire*) 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 (failing which, its 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 would have to 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 adopts a plan for the sale of the business (*plan de cession*) of the debtor whether partial (within the frame of safeguard, reorganization or liquidation proceedings) or total (within the frame of reorganization or liquidation proceedings), 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 court will appoint a liquidator (usually the former creditor's representative) in charge of selling the assets of the debtor and settling its 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 official fees), creditors who benefit from a New Money Lien or a Post Money Lien, post-commencement privileged creditors and the French State (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 does not apply to all creditors, for example it does not apply to creditors benefiting from a retention right over assets with respect to their claim related to such asset.

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 on the following grounds (and may only be held liable on those grounds) provided that such grant was itself wrongful (*fautif*) and in the case of (i) fraud, (ii) wrongful interference with the management of the debtor, or (iii) the security or guarantees taken to support the facilities being 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.

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 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 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, as defined below. 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. 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 attribution or by a pre-contractually agreed or judicially-appointed expert in the context of a contractual foreclosure. If the value of the Collateral exceeds the amount of secured debt, the secured creditor may be required to pay the pledgor a cash amount (*soulte*) equal to the difference between the value of the securities 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.

In addition, in view of the area of activity of the Group or certain members of the Group, it should be noted that foreign investments in companies or businesses which operate in certain sectors (notably where their activities relate to equipment,

products or services which are critical to the interests of France in terms of public order, public safety or national security, in particular in the areas of energy and water supply, public health, public transport and electronic communication) may require the prior authorization of the French authorities. This requirement may interfere with the enforcement of the Collateral consisting of shares or a business. Where any of the sectors specified by law or regulations are involved, the following shall constitute foreign investments which are subject to the prior authorization procedure:

- a transaction as a result of which a non-EU/EEA investor (i) acquires the control (within the meaning of Article L. 233-3 of the French Commercial Code), (ii) acquires all or part of a business (b*ranche d'activité*) or (iii) crosses the threshold of 33.33 percent of the share capital or voting rights, in each case of a company whose registered office is located in France;
- a transaction as a result of which an EU/EEA investor (i) acquires the control (within the meaning of Article L. 233-3 of the French Commercial Code) or (ii) acquires all or part of a business, in either case of a company whose registered office is located in France; and
- a transaction as a result of which a French investor under non-French control acquires all or part of a business of a company whose registered office is located in France.

When a foreign investment is subject to the authorization of the French authorities as above, the transaction cannot be completed prior to authorization. The foreign investor must submit a formal application for prior authorization to the French authorities which must render a decision within two months of receipt of the application (failing which authorization shall be deemed to have been granted).

We can provide no assurance that the approval of the French authorities would not be required in order to allow the Security Agent to enforce the pledge over the shares of the Guarantors and/or any of its subsidiaries or that such approval, if required, would be granted.

In addition to these limitations, specific insolvency-related limitations may prevent the enforcement of security interests in the context of court-assisted or court-administered proceedings.

Constitution of Collateral

The security interests in the Collateral that secure the obligations of the Issuer under the Notes and the obligations of the Guarantors under the Guarantees are not granted directly to the holders of the Notes but are granted in favor of the Security Agent. The Indenture and the Intercreditor Agreement will provide that only the Security Agent has the right to enforce the Security Documents. As a consequence, holders of the Notes will not have direct security interests and will not be entitled to take enforcement action in respect of the Collateral securing the Notes, except through the Trustee under the Indenture, who will (subject to the provisions of the Indenture) provide instructions to the Security Agent for the Collateral. In addition, in certain circumstances, lenders under the Revolving Credit Facility will have the right to direct the Security Agent in enforcement actions with respect to the Collateral.

The beneficial holders of interests in the Notes from time to time will not be parties to the Security Documents. 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. 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 under Article 2488-6 and seq. of the French Civil Code.

Security Agent

Articles 2488-6 to 2488-12 of the French Civil Code allow for the creation of security interests and personal guarantees for the benefit of a security agent, who will hold any rights or assets acquired during the performances of its duties in a separate estate (which shall be separate from its own estate) and act in its name on behalf of the secured parties in such capacity. By the creation of a separate estate, 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 its misconduct (*faute*) in the performance of its duties. The security agent may take all legal actions to protect the secured creditor's interests and file a proof of claim (*déclaration de créance*) on behalf of one or several creditors in a debtor's insolvency proceeding. 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

Furthermore, in order to permit the beneficial holders of the Notes to benefit from a secured claim, the Intercreditor Agreement provides 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 be granted in favor of the Security Agent on behalf of the secured creditors and will directly secure the Parallel Debt, and may not directly secure the obligations under the Notes and the other indebtedness secured by the Collateral. The holders of the Notes will not be entitled to take enforcement actions in respect of such security interests except through the Security Agent (even if they are in some instances direct beneficiaries of the security interests in the Collateral).

There is one published decision of the French Supreme Court (*Cour de cassation*) on Parallel Debt mechanisms (Cass. com. September 13, 2011 No. 10-25533 Belvédère) relating to a bond documentation governed by New York law. Such a decision recognized the enforceability in France of certain rights (especially the filing of claims in safeguard proceedings) of a security agent benefiting from a Parallel Debt. In particular, the French Supreme Court upheld the proof of claim of the legal holders of a Parallel Debt claim, considering that it did not contravene French international public policy (ordre public international) rules. The ruling was made on the basis that the French debtor was not exposed to double payment or artificial liability as a result of the Parallel Debt mechanism. Although this court decision is generally viewed by legal practitioners and academics as 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 Notes or security interests created to the benefit of the Security Agent as Parallel Debt Creditor under the Parallel Debt construction and/or trust constructs are successfully challenged by other parties, holders of the Notes may not receive any proceeds from an enforcement of the Guarantees or security interests in the Collateral on such basis. 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 concept of "trust" has been recognized by the French Tax Code by Article 792-0 *bis* and the French Supreme Court (*Cour de cassation*), which has held, in the same published decision referred to above (Cass. com. September 13, 2011 No. 10-25533, 10-25731, 10-25908 Belvédère c/ Maître es qual.) 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.

Fraudulent conveyance

French law contains specific *action paulienne* provisions dealing with fraudulent conveyance both in and outside insolvency proceedings. The action paulienne offers creditors protection against a decrease in their means of recovery. A legal act performed by a debtor (including, without limitation, an agreement pursuant to which such debtor guarantees the performance of the obligations of a third party or agrees to provide or provides security for any of such debtor's or a third party's obligations, enters into additional agreements benefiting from existing security or any other legal act having similar effect) can be challenged in, or outside of, the context of the insolvency proceedings of the relevant debtor by the creditors' representative (*mandataire judiciaire*), the court-appointed commissioner in charge of overseeing the implementation of the safeguard or reorganization plan (*commissaire à l'exécution du plan*), or by any of the creditors of the relevant debtor outside the insolvency proceedings or any creditor who was prejudiced in its means of recovery as a consequence of the act in or outside insolvency proceedings. Any such legal act may be declared unenforceable against all the creditors of the relevant debtor (if the claim was lodged by the creditors' representative (*mandataire judiciaire*) or the court-appointed commissioner in charge of overseeing the implementation of the safeguard or reorganization plan (*commissaire à l'exécution du plan*)) or the concerned creditor (if the claim was lodged by such creditor) if: (i) the debtor performed such

act without an obligation to do so; (ii) the relevant creditor or (in the case of a claim lodged by the creditors' representative (*mandataire judiciaire*) or the court-appointed commissioner in charge of overseeing the implementation of the safeguard or reorganization plan (*commissaire à l'exécution du plan*)) 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 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 Guarantee could be (i) declared unenforceable against all the creditors if the claim was lodged by the creditors' representative (*mandataire judiciaire*) or the court-appointed commissioner in charge of overseeing the implementation of the safeguard or reorganization plan (*commissaire à l'exécution du plan*) or (ii) 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 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 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 and the Stimulus Bonds Subordination Agreements, 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 such court-appointed administrator's attention within the required deadline.

As a consequence, except to the extent referred to above (which, as at the date of the offering memorandum, has received no judicial interpretation), we cannot rule out that a French court would not give effect to certain provisions of the Intercreditor Agreement and/or the Stimulus Bonds Subordination Agreements.

Priority of a pledge over a securities account

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 which are held by the grantor are credited. 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 credited.

Priority of a pledge over the bank accounts and receivables

The pledges over the bank accounts and receivables are governed by French law. In France, no lien searches are available for security interests, which are not registered, such as pledges over bank accounts and receivables. As a result, no assurance can be given on the priority of the pledges over the relevant bank accounts or receivables of a debtor.

Assumption as to the enforceability of the second-ranking pledges over the bank accounts

Although French law does not expressly prohibit the grantor of a pledge over a bank account from granting a second-ranking pledge over the same bank account, this structure has not been tested before the French courts and no assurance can be given that such second- ranking pledges would be upheld if tested.

Limitations on guarantees

The liabilities and obligations of any Guarantor incorporated under the laws of France (a "**French Guarantor**") are subject to:

- certain exceptions, including to the extent of any obligations which, if incurred, 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 or any other law or regulations having the same effect, as interpreted by French courts; and

- French corporate benefit rules.

Under French financial assistance rules, a company incorporated as a *société anonyme* or a *société par actions simplifiée* 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 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 the court found that the French guarantor did not receive some real and adequate corporate benefit from the transaction involving the grant of the guarantee as a whole. Existence of corporate benefit is a factual matter to which French case law provides no clear guidance and which must be determined on a case-by-case basis.

Each of the guarantees by the French Guarantors and the amounts recoverable thereunder will be limited to the maximum amount that can be guaranteed by a particular Guarantor without rendering its Guarantee voidable or otherwise ineffective under applicable law. Accordingly, the Guarantee of any French Guarantor will be limited to the aggregate amount of the Notes proceeds on-lent, directly or indirectly, or used to refinance any indebtedness previously directly or indirectly on-lent, to such 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 Guarantee. Any payment made by such French Guarantor under its Guarantee will reduce the maximum amount of its Guarantee. Any payment made by such French Guarantor under its Guarantee 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 its Guarantee could be significantly less than amounts payable with respect to the Notes, or a French Guarantor may have effectively no obligation under its Guarantees.

In addition, if a French Guarantor receives, in return for issuing the guarantee, an economic return that is less than the economic benefit such French Guarantor would obtain in a transaction entered into on an arm's length basis, the difference between the actual economic benefit and that in a comparable arm's length transaction could be taxable under certain circumstances.

Denmark
Corporate benefit and financial assistance

It is a requirement under Danish law that a guarantor or security provider obtains an adequate corporate benefit from the issuance of a guarantee or granting of security. The management of the company is obliged to act in accordance with the company's individual interests, including, among other things, consideration of the company's financial position, the benefits the company will obtain through and the risks related to the granting of guarantees and security, assessment of the debtor and ensuring that the arrangement is on market terms. If such benefit is not obtained, the directors of the Danish guarantor or security provider may be subject to civil liability and the guarantee or security may be invalid. This includes transactions which were clearly likely to provide others with an improper benefit at the expense of a Danish company and transactions whereby (i) the persons authorized to bind the company exceeded the limitations of their powers as provided under the Danish Companies Act (consolidated act no. 1168 of 1 September 2023 (*selskabsloven*)) as amended and supplemented from time to time), (ii) the transaction was not within the purpose of the company and the third party knew or ought to have known thereof and (iii) the persons authorized to bind the company materially failed to act in the company's interest and the third party knew or ought to have known thereof. It may not be sufficient to establish such corporate benefit that a subsidiary guarantees and secures the debt of a direct or indirect parent company.

The Danish Companies Act contains restrictions on upstream guarantees and security by Danish limited companies. Generally, Danish companies and their Danish and non-Danish subsidiaries are prohibited from granting loans to and/or issuing guarantees or providing security in respect of obligations of, among others, their direct and indirect parent companies. However, Danish companies may grant loans to and/or issue guarantees or provide security in respect of obligations of parent companies covered by Danish Executive Order No. 85 of January 30, 2020 (*moderselskabsbekendtgørelsen*), which applies to any entity in the corporate form of (a) a public limited company (*aktieselskab*), (b) a limited partnership company (*partnerselskab*), (c) a private limited liability company (*anpartsselskab*) or (d) a company with an equivalent corporate form, incorporated in a jurisdiction which is a member of the EU (such as the Issuer, which is a joint stock company incorporated in France) or European Economic Area or Switzerland, Australia, Canada, Chile, United Kingdom of Great Britain and Northern Ireland, Israel, Japan, South Korea, New Zealand, Singapore, Taiwan or the U.S. Further, a Danish company and its Danish and non-Danish subsidiaries are generally prohibited from granting loans and/or issue guarantees and/or provide security in connection with the financing (or

refinancing) of the acquisition by any person or entity of shares in such Danish company or shares in its (direct and indirect) parent companies, and any such loan, guarantee or security will be invalid and unenforceable. In addition, to the extent any such acquisition debt cannot be separated from other debt, such other debt may also be deemed acquisition debt and any loans, guarantees or security granted by the Danish company or any of its Danish or foreign subsidiaries for such other debt may then also be invalid or unenforceable.

In order to cater for potential issues on corporate benefit and financial assistance:

- GSV will not grant any guarantee or security over the Notes; and
- the guarantee and security granted by Kiloutou Danmark under the Notes Guarantees and Collateral will be limited;
    - if and to the extent required to comply with Danish statutory provisions on unlawful financial assistance and non-permitted shareholder loans, including, without limitation, Sections 206 through 212 of the Danish Companies Act; and
    - to a maximum amount equivalent to the higher of the equity (*egenkapital*) of such Danish company (calculated in accordance with the approved accounting principles) (a) at the time of the granting of the guarantee or (b) at the time payment is requested pursuant to the guarantee.

Security

Security granted by Kiloutou Danmark will be voidable in a period of three months after the time such security is granted as the security will be granted after the disbursement of the proceeds of the Notes.

The concept of trusts as well as parallel debt structures is not recognized under Danish law and Denmark is not a party to the Hague Convention on Trusts 1986. The idea of dividing ownership between the trustee as the legal owner and the beneficiaries as the beneficial owners is unknown to the Danish legal system.

Danish law does however recognize the concept of a security agent holding security on behalf of secured parties. Generally, there are no regulatory approvals required in order to undertake the role of security agent in relation to loans made to Danish borrowers. However, a security agent under a note issue would need to be registered with the Danish Financial Supervisory Authority (*Finanstilsynet*) in order to hold any security located in Denmark on behalf of the note holders from time to time. It is possible for the Issuer to appoint the Security Agent to act as an agent and representative (fuldmægtig og repræsentant) for the holders of Notes pursuant to chapter 4 of the Danish Capital Markets Act (consolidated act no. 41 of 13 January 2023 (*kapitalmarkedsloven*)) as amended and supplemented from time to time) and the Security Agent would then need to be registered with the Danish Financial Supervisory Authority in connection with the issue of the Notes. No assurance can be given that the Security Agent or the terms and conditions of the Notes and other documents meet the eligibility criteria for the Security Agent to be registered with the Danish Financial Supervisory Authority, that such registration will be obtained or, if obtained, that it will be maintained.

Pledge over shares of a Danish company

Under Danish law, perfection of the pledge of shares requires notification to the company with shares being pledged and the company is obliged to record the pledge in its shareholders' register. A pledge of shares pledged with a stated priority may nevertheless be held by a Danish court not to be with such priority if the pledgee acted in bad faith in that, at the time of notification, it was aware of a prior existing pledge which was not recorded in the share register.

A Danish court may find that pledges of dividends and voting rights in a share pledge agreement are not perfected until the parties secured by the pledge take control of the dividend payments and voting rights. When perfected, the share pledge may be deemed to be security for old debt and may be voidable for a period of three months following such perfection (or an indefinite period if the pledgor is insolvent at the time of perfection).

Pledge of bank accounts

Under Danish law, the perfection requirements in respect of the pledge of bank accounts are satisfied to the extent (i) that the account bank is notified of the pledge, (ii) that the pledge is recorded on the bank account and (iii) that the pledgor is deprived of the right to dispose of amounts credited to the pledged account without the prior consent of the creditors or an agent on their behalf. As Kiloutou Danmark is free to use the pledged accounts until an event of default, the pledge of accounts by Kiloutou Danmark is not perfected and may be voidable (see further below regarding hardening periods under Danish law).

Deposits credited to a pledged account after the establishment of the debt secured by the security interest in the pledged account may be considered to be security for old debt and may therefore be voidable. In addition, the account bank will have the right to set-off claims it may have against the account holder against amounts standing to the credit of the pledged account.

Choice of law

According to the Rome Convention, a Danish court will in civil and commercial matters generally uphold a choice of the laws of another country inter partes between the parties to the relevant agreement subject to Danish public policy and the mandatory rules of the laws of any country with which a transaction has a significant connection, if and in so far as under the laws of that country those rules must be applied notwithstanding a choice of law. However, a choice of law agreement in respect of non-contractual obligations entered into before the event giving rise to the damage has occurred may not be enforceable. In such case a Danish court may apply Danish rules of private international law to determine the applicable law to such non-contractual obligations.

Perfection requirements will be determined based on Danish rules on private international law and will not be subject to the finance parties choice of law.

Insolvency - general remarks

Kiloutou Danmark is incorporated under the laws of Denmark. Accordingly, Danish law and insolvency proceedings will apply with respect to Kiloutou Danmark. Please note that the EU Insolvency Regulation does not apply to Denmark.

In a Danish bankruptcy, the debtor's assets are liquidated and the proceeds are distributed to the creditors on a priority of claims. Such liquidation may not yield the same value to the creditors as a reorganization and sale of going concern.

Insolvency proceedings

Bankruptcy proceedings may be commenced either at the petition of a debtor or a creditor, however provided that the debtor is insolvent, which pursuant to the Danish Bankruptcy Act (consolidated act no. 1600 of 25 December 2022 (*konkursloven*)) as amended and supplemented from time to time) is defined as the debtor's inability to pay his debts as they fall due, unless such inability is considered to be temporary.

The petition for bankruptcy must be filed with the bankruptcy court in the district in which the debtor operates his business. The bankruptcy court does not publish information on the receipt of the petition for bankruptcy, but any person having a legal interest is entitled to receive information as to whether and when a debtor has filed a petition for bankruptcy (debtor's own petition). The bankruptcy court does not provide information on a creditor's petition for bankruptcy.

A creditor cannot demand that the debtor be declared bankrupt if the creditor's claim is secured by adequate security. In this context, adequate security means a security right expected to provide full coverage for the creditor. If the security is avoidable in bankruptcy or the act of perfection has not been performed, the creditor does not have adequate security.

The creditor is not required to have a basis of execution for his claim, *e.g.*, a judgment in a civil case, a settlement in court or a signed debt instrument or mortgage. Further, the creditor's claim does not have to be due for payment to form basis of a petition for bankruptcy. However, the creditor must have a legal interest in the debtor's estate being administered in bankruptcy. As a result, not all claims that have not become due for payment may form basis of a petition for bankruptcy. Depending on the circumstances, an overdraft facility still being in force or a repayment arrangement being observed by the debtor may result in the creditor's petition being rejected. The requirement for legal interest also means that in general the bankruptcy court will reject a creditor's petition for bankruptcy if it is clear in advance that he will not receive any dividend in case of bankruptcy. If there is probable cause to believe that the debtor has made avoidable transactions, the creditor may have the required legal interest in the bankruptcy even if the debtor does not have substantial assets. In that case, the creditor must be able to substantiate the avoidable transactions with some degree of certainty.

A creditor having filed a petition for bankruptcy against a debtor will be liable to pay damages if the debtor suffers a loss or to pay compensation for injury to the debtor's reputation if the bankruptcy conditions, *e.g.*, the insolvency requirement, are not fulfilled or if the claim does not exist.

The petitioner must provide security for the expenses relating to the administration of the estate. In practice, the bankruptcy court demands security in the amount of DKK 30,000. If the debtor has filed the petition for bankruptcy, the security must be provided by the funds of the bankruptcy estate.

Bankruptcy administrator

One or more administrators are appointed at the discretion of the bankruptcy court; however, in practice the request of the major unsecured and unsubordinated creditors have the decisive influence as another liquidator can be appointed at a creditor's meeting.

The administrator must comply with certain qualitative rules in the Danish Bankruptcy Act and is not required to be an attorney, but in practice that is normally the case.

The administrator will make all decisions concerning the administration of the bankruptcy estate and the administrator represents the estate in every respect.

Reconstruction

Reconstruction proceedings may be commenced either at the petition of the debtor or a creditor. The petition for reconstruction must be filed with the bankruptcy court in the district in which the debtor operates his business.

Reconstruction proceedings may only be commenced if the debtor is insolvent (same as described above with respect to bankruptcy). If this criterion is fulfilled, the bankruptcy court will immediately appoint a reconstructor to administrate the company. A reconstructuring accountant is appointed if requested by the company, the reconstructor or at least 25% of the creditors. The management continues to operate the company, but any material transactions may not be carried out without the prior approval of the reconstructor. Payment of creditors may only be done in accordance with the priority of claims as described below.

The reconstruction of a company must achieve the following statutory objectives: (1) the rescue of the company as a going concern by means of a compulsory composition; (2) the termination of the business of the company by transferring the business; or (3) the rescue of the company through other measures apart from compulsory composition and transfer of the business, provided that such measures alone or together with other parts of the reconstruction result in the company ceasing to be insolvent (e.g. such as by capital injection or debt conversion).

The reconstructor must try to achieve these objectives in no particular order. Within the four or eight weeks (until a restructuring plan is adopted), the company can discontinue the restructuring without automatically entering into insolvency proceedings. If the reconstructor does not realize the statutory objectives after a restructuring plan is adopted, the company will automatically enter bankruptcy proceedings as described above, unless it turns out that the company is not (or no longer is) insolvent.

Preventive Restructuring

As an implementation of the EU Restructuring Directive (EUR 2019/1023), new rules on preventive restructuring came into force on July 17, 2022. In contrast to the rules on reconstruction as outlined above, it is not a requirement for the commencement of preventive restructuring proceedings that the debtor is insolvent, but merely a likelihood of insolvency in respect of the debtor is sufficient for the debtor to petition for the commencement of these proceedings. The rules on preventive restructuring largely correspond to the rules on reconstruction with the modifications that follow from the circumstance that the debtor may not necessarily be insolvent.

The opening of a preventive restructuring procedure is not published until a restructuring proposal is submitted or a prohibition against seeking satisfaction in the debtor's assets is requested (*fyldestgørelsesforbud*). The appointment of a reconstructor is generally optional and only mandatory during preventive restructuring proceedings if probation against seeking satisfaction in the debtor's assets is requested. Furthermore, the preventive restructuring proceedings do not entail a stay on enforcement and do not entail the possibility to void transactions to which the company is a party (unlike normal reconstruction and bankruptcy).

In contrast to the normal reconstruction procedure, creditors may be grouped into several relevant classes once a restructuring proposal is put to the vote during preventive restructuring proceedings.

The debtor's petition for preventive restructuring proceedings does not take precedence over a creditor's petition for reconstruction or bankruptcy proceedings. However, the bankruptcy court may decide to postpone the review of a request for reconstruction or bankruptcy proceedings if the debtor files a petition for preventive restructuring proceedings.

Liquidation

Liquidation is a company dissolution procedure under which the assets of the company are realized and distributed by the liquidator to creditors and, providing all creditors have been paid in full, the shareholders. In Denmark, liquidation is not an insolvency proceeding, and only companies that are solvent can be liquidated. If a company is insolvent, or if it turns out during the liquidation process that the company cannot pay all its creditors in full, the company must enter bankruptcy proceedings instead. The decision to liquidate a company is made by the shareholders of the company at a general meeting who also appoint a liquidator. At the end of the liquidation process the company will be dissolved.

Foreign Currency

Under the Danish Bankruptcy Act, claims must be converted into DKK at the exchange rate at the day the bankruptcy court issued a bankruptcy order over the company.

Challenges to the Note Guarantees and the Collateral

Under the Danish Bankruptcy Act, the bankruptcy estate is entitled to under certain circumstances to avoid the debtor's transactions in the period preceding the bankruptcy if such transactions have reduced the assets of the estate or otherwise damaged the estate, or if the transactions have favored certain creditors without observing the ranking of the creditors.

Transactions damaging the estate are for example gifts, renunciations of inheritance or the payment of excessive salary or pension to related parties. Transactions favoring creditors without observing the ranking of creditors are for example payment by unusual means of payment, payments before due date, payments having deteriorated the debtor's ability to pay decisively or the provision of security for prior debts. Set out herein is the avoidance rule on security for prior debts and the general avoidance rule applicable to various transactions.

Any security interest which has not been created prior to, or simultaneously with, the debt obligations which it secures or which is not perfected without undue delay after the creation of such debt obligations will be subject to a three months hardening period, if insolvency proceedings are commenced against the provider of the security during the three month period starting from the latter of the date of the relevant act of perfection and the creation of the security interest.

Danish law operates with a general avoidance rule, which stipulates that a disposition which unduly favors a creditor to the detriment of the other creditors, or whereby the company's property is prevented from serving the purpose of satisfying the creditors, or whereby the company's debt is increased to the detriment of the creditors, may be declared void if the company was or because of the disposition became insolvent, and the favored party knew or ought to have known about the company's insolvency and the circumstances that made the disposition improper. Generally, only transactions which are contrary to common norms of correct and decent business behavior will be deemed improper. Improper behavior is normally related to a breach of the purpose of insolvency proceedings, which typically is the situation where a creditor should have realized that a given transaction would deprive the other creditors of their right to fulfilment of their claims.

The usual hardening period is three months prior to the filing date, which is extended to up to 24 months for transactions with parties closely related to the company, and the general avoidance rule (as described above) provides for an unlimited avoidance period with respect to improper transactions.

Legal position of unsecured claims and priority of claims

Creditors who believe they have a claim against the debtor or the bankruptcy estate must prove their claims and accompany their proofs of claim by adequate documentation. The administrator registers all claims and examines whether they are legitimate and entitle the creditor to receive dividend.

The ranking of creditors is described in the Danish Bankruptcy Act and it indicates the order in which claims against the estate of the debtor are settled. All higher ranking claims must be satisfied in full before the next level will be entitled to dividend. The ranking of creditors is as follows:

- Firstly: claims in connection with the bankruptcy proceedings or claims in according to affirmed agreements;
- Secondly: claims in connection with any prior restructuring proceedings;
- Thirdly: claims for wages or salaries payable;
- Fourthly: claims of suppliers for indirect taxes;
- Fifthly: unsecured claims (all other claims except for deferred claims); and
- Sixthly: certain legally subordinated claims (interest accruing after the date of bankruptcy, fines, promises of gifts and subordinated loan capital).

BOOK-ENTRY, DELIVERY AND FORM

General

The Notes sold within the United States to QIBs in reliance on Rule 144A are initially represented by one or more global notes in registered form without interest coupons attached (the "**Rule 144A Global Notes**"). The Notes sold to certain non-U.S. persons outside the United States in reliance on Regulation S are initially 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**"). The Global Notes were deposited on the Issue Date with, or on behalf of, a common depositary and registered in the name of the nominee of the common depositary for the accounts of Euroclear and Clearstream.

Ownership of interests in the Rule 144A Global Notes (the "**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 hold interests through such participants. Euroclear and Clearstream will hold interests in the Global Notes on behalf of their participants through customers' securities accounts in their respective names on the books of their respective depositaries. Except under the limited circumstances described below, Book-Entry Interests will not be held in definitive form.

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 Global Notes will be issued only in denominations of €100,000 and in integral multiples of €1,000 in excess thereof. The laws of some jurisdictions, including certain states of the United States, may require that certain purchasers of securities take physical delivery of those securities in definitive form. The foregoing limitations may impair your ability to own, transfer or pledge Book-Entry Interests. In addition, while the Notes are in global form, holders of Book-Entry Interests 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 nominee) will be considered the sole holders of the Global Notes for all purposes under the Indenture. As such, participants must rely on the procedures of Euroclear and Clearstream, as applicable, and indirect participants must rely on the procedures of Euroclear and Clearstream, as applicable, and the participants through which they own Book-Entry Interests, to transfer their interests or to exercise any rights of holders of Notes under the Indenture.

None of the Issuer, the Initial Purchasers, any Agent nor the Trustee (nor any of their respective agents) will have any responsibility, or be liable, for any aspect of the records relating to the Book-Entry Interests.

Issuance of Definitive Registered Notes

Under the terms of the Indenture, owners of the Book-Entry Interests will receive definitive registered notes in certificated form (the "**Definitive Registered Notes**"):

- if Euroclear or Clearstream notifies the Issuer that it is unwilling or unable to continue to act as depositary and a successor depositary is not appointed by the Issuer within 120 days; or

- if the owner of a Book-Entry Interest requests such exchange in writing delivered through Euroclear or Clearstream following an Event of Default under the Indenture and enforcement action is being taken in respect thereof under the Indenture.

Euroclear and Clearstream have advised us that upon request by an owner of a Book-Entry Interest described in the immediately preceding second bullet point, their current procedure is to request that the Issuer issue or cause to be issued Notes in definitive registered form to all owners of Book-Entry Interests.

In such an event, the Issuer issued Definitive Registered Notes, registered in the name or names and issued in any approved denominations, requested by or on behalf of Euroclear and/or Clearstream (in accordance with their respective customary procedures and based upon directions received from participants reflecting the beneficial ownership of Book-Entry Interests), and such Definitive Registered Notes will bear the restrictive legend referred to in "*Notice to investors*" unless that legend is not required by the Indenture or applicable law.

In the case of the issue of Definitive Registered Notes, the holder of a Definitive Registered Note may transfer such Definitive Registered Note by surrendering it to the Registrar. In the event of a partial transfer or a partial redemption of

one Definitive Registered Note, a new Definitive Registered Note will be issued to the transferee in respect of the part transferred, and a new Definitive Registered Note will be issued to the transferor or the holder, as applicable, in respect of the balance of the holding not transferred or redeemed; *provided* that a Definitive Registered Note will only be issued in denominations of €100,000 or in integral multiples of €1,000 in excess thereof.

To the extent permitted by law, the Issuer, the Trustee, the Agents and their respective agents shall be entitled to treat the registered holder of any Definitive Registered Note as the absolute owner thereof and no person will be liable for treating the registered holder as such. Ownership of the Definitive Registered Notes will be evidenced through registration from time to time at the registered office of the Issuer, and such registration is a means of evidencing title to the Notes.

If Definitive Registered Notes are issued and a holder thereof claims that such Definitive Registered Notes have been lost, destroyed or wrongfully taken, or if such Definitive Registered Notes are mutilated and are surrendered to the Registrar or at the office of the Transfer Agent, the Issuer issued and the Trustee (or an authenticating agent appointed by such Trustee) authenticated a replacement Definitive Registered Note in case the Issuer's and Trustee'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 such Trustee and Issuer to protect the Issuer, the Trustee and any Agent appointed pursuant to the Indenture from any loss which any of them may suffer if a Definitive Registered Note is replaced. The Issuer and the Trustee may charge for expenses in replacing a Definitive Registered Note.

In case any such mutilated, destroyed, lost or stolen Definitive Registered Note has become or is about to become due and payable, or is about to be redeemed or purchased by the Group pursuant to the provisions of the Indenture, the Group 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.

Definitive Registered Notes may be transferred and exchanged for Book-Entry Interests only in accordance with the Indenture and, if required, only after the transferor first delivers to the Transfer Agent a written certification (in the form provided in the Indenture) to the effect that such transfer will comply with the transfer restrictions applicable to such Notes. See "*Notice to investors*."

Redemption of Global Notes

In the event that any Global Note (or any portion thereof) is redeemed, each of Euroclear and/or Clearstream, or their respective nominees, as applicable, will distribute the amount received by it in respect of the Global Note so redeemed to the holders of the Book-Entry Interests in such Global Note from the amount received by it in respect of the redemption of such Global Note. The redemption price payable in connection with the redemption of such Book-Entry Interests will be equal to the amount received by Euroclear or Clearstream, as applicable, in connection with the redemption of such Global Note (or any portion thereof). The Issuer understands that, under the existing practices of Euroclear and Clearstream, if fewer than all of the Notes are to be redeemed at any time, Euroclear and Clearstream will credit their respective participants' accounts on a proportionate basis (with adjustments to prevent fractions), by lot or on such other basis as they deem fair and appropriate; *provided*, *however*, that no Book-Entry Interest of less than €100,000 principal amount may be redeemed in part.

Payments on Global Notes

The Issuer will make payments of any amounts owing in respect of the Global Notes (including principal, premium, if any, interest and additional amounts, if any) to the Paying Agent. In turn, the Paying Agent will make onward payment to Euroclear and Clearstream, which will distribute such payments to participants in accordance with their respective procedures. The Issuer expects that standing customer instructions and customary practices will govern payments by participants to owners of Book-Entry Interests held through such participants.

Under the terms of the Indenture, the Issuer, the Trustee, any Agent and any of their respective agents will treat the registered holders of the Global Notes (*i.e.*, the common depositary for Euroclear or Clearstream (or its nominee)) as the owners thereof for the purpose of receiving payments and for all other purposes. Consequently, none of the Issuer, the Trustee, any Agent 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, or payments made on account of, a Book-Entry Interest, for any such payments made by Euroclear or Clearstream or any participant or indirect participant or for maintaining, supervising or reviewing the records of Euroclear or Clearstream or any participant or indirect participant relating to, or payments made on account of, a Book-Entry Interest;

- payments made by Euroclear, Clearstream or any participant or indirect participant, or for maintaining, supervising or reviewing the records of Euroclear, Clearstream or any participant or indirect participant relating to or payments made on account of a Book-Entry Interest;

- Euroclear, Clearstream or any participant or indirect participant; or

- 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 Notes

The principal of, premium, if any, and interest on, and all other amounts payable in respect of, the Global Notes will be paid to holders of interests to such Notes through Euroclear and/or Clearstream in euro.

Action by owners of Book-Entry Interests

Euroclear and Clearstream have advised the Issuer that they will take any action permitted to be taken by a holder of Notes only at the direction of one or more participants to whose account the Book-Entry Interests in the Global Notes are credited and only in respect of such portion of the aggregate principal amount of Notes as to which such participant or participants has or have given such direction. Euroclear and Clearstream will not exercise any discretion in the granting of consents, waivers or the taking of any other action in respect of the Global Notes. However, if there is an event of default under the Indenture, Euroclear and Clearstream reserve the right to exchange the Global Notes for Definitive Registered Notes, and to distribute such Definitive Registered Notes to their respective participants.

Transfers

Transfers between participants in Euroclear or Clearstream will be effected in accordance with Euroclear's and Clearstream's rules and will be settled in immediately available funds. If a holder of Notes requires physical delivery of Definitive Registered Notes for any reason, including to sell Notes to persons in states which require physical delivery of such securities or to pledge such securities and in the circumstances set forth in "*—Issuance of Definitive Registered Notes*," such holder of Notes must transfer its interests in the Global Notes in accordance with the normal procedures of Euroclear and Clearstream and in accordance with the procedures set forth in the Indenture.

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 transfers discussed under "*Notice to investors."*

Rule 144A Book-Entry Interests may be transferred to a person who takes delivery in the form of a Regulation S Book-Entry Interest only upon receipt by the Trustee of a written certification (in the form provided in the Indenture) from the transferor to the effect that such transfer is being made in accordance with Regulation S.

Subject to the limitations set forth in "*Description of the Notes—General—transfer and exchange*" with regards to Additional Notes issued bearing the same ISIN and Common Code as an outstanding series of Notes in circumstances where such Additional Notes would not be fungible for U.S. federal income tax purposes, Regulation S Book-Entry Interests may be transferred to a person who takes delivery in the form of a Rule 144A Book-Entry Interest only upon receipt by the Trustee of a written certification (in the form provided in the Indenture) from the transferor to the effect that such transfer is being made to a person who the transferor reasonably believes is a QIB 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 jurisdiction.

In connection with transfers involving an exchange of a Regulation S Book-Entry Interest for a Rule 144A Book-Entry Interest, appropriate adjustments will be made to reflect a decrease in the principal amount of the Regulation S Global Note and a corresponding increase in the principal amount of the Rule 144A Global Note or vice-versa.

Definitive Registered Notes may be transferred and exchanged for Book-Entry Interests in a Global Note only as described under "*Description of the Notes—Transfer and exchange*" and, if required, only if the transferor first delivers to the Trustee a written certificate (in the form provided in the Indenture) to the effect that such transfer will comply with the appropriate transfer restrictions applicable to such Notes. See "*Notice to investors.*"

Any Book-Entry Interest in one of the Global Notes that is transferred to a person who takes delivery in the form of a Book-Entry Interest in any other Global Note will, upon transfer, cease to be a Book-Entry Interest in the first-mentioned

Global Note and become a Book-Entry Interest in such other Global Note, and accordingly will thereafter be subject to all transfer restrictions, if any, and other procedures applicable to Book-Entry Interests in such other Global Note for as long as it remains such a Book-Entry Interest.

Information concerning Euroclear and Clearstream

All Book-Entry Interests will be subject to the operations and procedures of Euroclear and Clearstream, as applicable. The Group has provided in this "*Book-entry, delivery and form*" the 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. None of the Issuer, the Trustee, any Agent, the Initial Purchasers nor any of their respective agents are responsible for those operations or procedures.

The Group understands 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 or Clearstream participant, either directly or indirectly.

Because Euroclear and Clearstream can only act on behalf of participants, who in turn act on behalf of indirect participants and certain banks, the ability of an owner of a beneficial interest to pledge such interest to persons or entities that do not participate in the Euroclear 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 system will receive distributions attributable to the Rule 144A Global Notes only through Euroclear or Clearstream participants.

Global clearance and settlement under the book-entry system

The Notes represented by the Global Notes are listed on the Securities Official List of the Exchange. Transfers of interests in the Global Notes between participants in Euroclear or Clearstream will be effected in the ordinary way in accordance with their respective system's rules and operating procedures.

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 Initial Purchasers, the Trustee, any Agent nor any of their respective agents will have any responsibility for the performance by Euroclear, Clearstream or their participants or indirect participants of their respective obligations under the rules and procedures governing their operations.

Initial settlement

Initial settlement for the Notes will be made in euro. Book-Entry Interests owned through Euroclear or Clearstream accounts will follow the settlement procedures applicable to conventional bonds in registered form. Book-Entry Interests will be credited to the securities custody accounts of Euroclear and Clearstream holders on the business day following the settlement date against payment for value on the settlement date.

Secondary market trading

The Book-Entry Interests will trade through participants of Euroclear and Clearstream and will settle in same-day funds. Since the purchase determines the place of delivery, it is important to establish at the time of trading of any Book-Entry Interests where both the purchaser's and the seller's accounts are located to ensure that settlement can be made on the desired value date.

TAX CONSIDERATIONS

Prospective purchasers of the Notes are advised to consult their tax advisors as to the tax consequences, under the tax laws of the country in which they are resident, of a purchase of Notes including, without limitation, the consequences of receipt of interest and premium, if any, on and the sale or redemption of, the Notes.

Certain U.S. federal income tax considerations

The following is a discussion of certain U.S. federal income tax considerations of the purchase, ownership and disposition of the Notes, but does not purport to be a complete analysis of all potential tax effects. This discussion is based upon the United States Internal Revenue Code of 1986, as amended (the "**Code**"), U.S. Treasury regulations issued thereunder, and judicial and administrative interpretations thereof, each as in effect on the date hereof, and all of which are subject to change, 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 any U.S. federal tax laws other than U.S. federal income tax laws (such as estate and gift tax laws), any state, local or non-U.S. tax laws or the Medicare tax on certain net investment income. 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 banks and other 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, "passive foreign investment companies" and "controlled foreign corporations" as defined in the Code, partnerships or other pass-through entities or arrangements (including foreign branches) or investors in such entities or arrangements, persons liable for alternative minimum tax, accrual method taxpayers who are required to recognize income for U.S. federal income tax purposes no later than when such income is taken into account in applicable financial statements (as defined in Section 451(b) of the Code), 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 issuance and at their "issue price" (in this case, the first price at which a substantial amount of the Notes is sold for money to investors, 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 (generally for investment).

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 "United States persons" (as defined in the Code) 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 "United States person."

If any entity or arrangement treated as a partnership for U.S. federal income tax purposes holds the Notes, the U.S. federal 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.

This discussion does not address the U.S. federal tax consequences of U.S. holders that sell 2027 Notes pursuant to the Tender Offer and purchase Notes in this Offering. If you sell 2027 Notes pursuant to the Tender Offer, you should consult your tax advisors to determine whether your investment in the Notes should be characterized as an integrated transaction that is treated as a taxable exchange of the 2027 Notes for the Notes or as a non-taxable exchange of the 2027 Notes for the Notes for U.S. federal income tax purposes and the U.S. federal income tax consequences of such treatment, which may differ significantly from that described below.

Prospective purchasers of the Notes should consult their tax advisors regarding the tax consequences of the purchase, ownership and disposition of the 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, state, local, non-U.S. or other tax laws and tax treaties.

Stated interest on the Notes

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 exchange rate on the date of receipt, regardless of

whether the payment is in fact converted into U.S. dollars at that time. A cash method U.S. holder will not recognize foreign currency exchange gain or loss on the receipt of such payment 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, a U.S. 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 exchange rate in effect during the interest accrual period (or, with respect to an accrual period that spans two taxable years, at the average rate for the partial period within such U.S. holder's taxable year). Alternatively, a 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 such accrued interest at the spot exchange rate on the last day of the accrual period (or, with respect to an accrual period that spans two taxable years, the last day of the partial accrual period within each respective taxable year), or at the spot exchange 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 U.S. federal income tax purposes will recognize foreign currency exchange gain or loss on the date such interest is received, equal to the difference, if any, between: (i) the U.S. dollar value of such payment, determined at the spot exchange rate on the date the payment is received, and (ii) the U.S. dollar value of the interest income previously included in respect of such payment. Any such foreign currency exchange gain or loss will be treated as ordinary income or loss, generally will be treated as from sources within the United States and generally will not be treated as an adjustment to interest income or expense.

If any additional amounts are paid on the Notes to "gross up" in respect of withholding or deduction for taxes (see "*Description of the Notes—Additional amounts*"), such amounts will be includable in a U.S. holder's income as ordinary interest income at the time such amount is received or accrued in accordance with such holder's method of tax accounting. For foreign tax credit purposes, interest income on the Notes (including any additional amounts and OID, if any) will be treated as ordinary income from sources without the United States and generally will be treated as "passive category income." A U.S. holder may be entitled to a foreign tax credit in respect of any foreign income taxes withheld on any interest payments with respect to the Notes that is included in income as a result of this Offering if the U.S. holder is eligible for, and properly elects, the benefits of the tax treaty between the United States and France or, subject to generally applicable restrictions and conditions (including a minimum holding period and at risk requirements), complies with new requirements adopted recently by the IRS (including a requirement under the U.S. Treasury regulations that the tax must be a "covered withholding tax"). In lieu of claiming a credit, U.S. holders may elect to deduct foreign income taxes in computing their U.S. federal taxable income, provided the U.S. holder does not elect to credit any foreign income taxes paid or accrued for the relevant taxable year. U.S. holders should consult their tax advisors regarding the availability of foreign tax credits.

Original issue discount

The Notes may be issued with OID for U.S. federal income tax purposes. In such event, U.S. holders generally will be required to include such OID in gross income (as ordinary income) on an annual basis under a constant yield accrual method regardless of their regular method of accounting for U.S. federal income tax purposes. As a result, U.S. holders will generally include any OID in income in advance of the receipt of cash attributable to such income.

The Notes will be treated as issued with OID if the stated principal amount exceeds the issue price (as defined above) by an amount equal to or more than a statutorily defined de minimis amount (generally, 0.0025 multiplied by the stated principal amount and the number of complete years to maturity from the issue date).

If the Notes are issued with OID, the amount of OID includible in income by a U.S. holder is the sum of the "daily portions" of OID with respect to the Note for each day during the taxable year or portion thereof in which such U.S. holder holds the Note. A daily portion is determined by allocating to each day in any "accrual period" a pro rata portion of the OID that accrued in such period. The accrual period of a Note may be of any length and may vary in length over the term of the Note, provided that each accrual period is no longer than one year and each scheduled payment of principal or interest occurs either on the first or last day of an accrual period. The amount of OID that accrues with respect to any accrual period is the excess of (i) the product of the Note's "adjusted issue price" at the beginning of such accrual period and its "yield to maturity," determined on the basis of compounding at the close of each accrual period and properly adjusted for the length of such period, over (ii) the amount of stated interest allocable to such accrual period. The adjusted issue price of a Note at the start of any accrual period generally is equal to its issue price, increased by the OID includible in income for each prior accrual period and decreased by payments previously made on the Note other than stated interest. The yield to maturity of a Note is the discount rate that, when used in computing the present value of all principal and interest payments to be made under the Note, produces an amount equal to the issue price of the Note. For purposes of determining OID accruals and

adjusted issue price, the amounts of stated interest and OID are determined by assuming that the interest rate on the Notes is a fixed rate based on the value of the floating rate applicable to the Notes as of the issue date.

For foreign tax credit purposes, OID will be treated as ordinary income from sources without the United States and generally will be treated as "passive category income." OID, if any, on the Notes will be determined for any accrual period in foreign currency and then translated into U.S. dollars in accordance with either of the two alternative methods applicable to stated interest payable to accrual basis U.S. holders, as described above in the second paragraph under "*—Stated interest on the Notes.*"

A U.S. holder will recognize exchange gain or loss when OID is paid (including, upon the disposition of a Note, the receipt of proceeds that include amounts attributable to OID previously included in income) to the extent of the difference, if any, between the U.S. dollar value of the foreign currency payment received, determined based on the spot rate on the date such payment is received, and the U.S. dollar value of the accrued OID, determined in the same manner as exchange gain or loss with respect to accrued interest as described above. For these purposes, all receipts on a Note other than stated interest will be viewed first, as receipts of previously accrued OID (to the extent thereof), with payments considered made for the earliest accrual periods first; and second, as receipts of principal. Any such foreign currency exchange gain or loss generally will constitute ordinary income or loss and be treated, for foreign tax credit purposes, as U.S. source income or loss, and generally not as an adjustment to interest income or expense.

Additional Notes

The Issuer may issue Additional Notes (as defined in "*Description of the Notes*") under the Indenture. Any Additional Notes sold pursuant to Regulation S from time to time may be issued with the same ISIN, Common Code, CUSIP or other securities identification number as the applicable series of Notes previously issued under the Indenture without being fungible with such series of Notes for U.S. federal income tax purposes. If you are considering the purchase of Notes sold pursuant to Regulation S, you should consult your tax advisors concerning the particular U.S. federal income tax consequences to you of the purchase, ownership and disposition of such Notes, including with respect to the potential issuance of Additional Notes that are not fungible with the applicable series of initial Notes issued under the Indenture for U.S. federal income tax purposes, but which nevertheless are not capable of being separately identified.

Sale, exchange, retirement or other taxable disposition of the 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, increased by any OID previously included in income by such U.S. holder with respect to such Note and decreased by any principal payments on such Note. The cost of a Note purchased with foreign currency will be the U.S. dollar value of the foreign currency purchase price on the date of purchase, calculated at the exchange rate in effect on that date.

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 interest, which will be includible in income as ordinary interest income in accordance with the U.S. holder's method of tax accounting as described under "*—Stated interest on the Notes"*) 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 based on the spot exchange rate on the date of taxable disposition. If the Notes are traded on an established securities market, a cash basis U.S. holder (and if it elects, an accrual basis U.S. holder) will determine the U.S. dollar value of that amount realized on the settlement date of the disposition. If an accrual method taxpayer makes this election described above, such election must be applied consistently to all debt instruments from year to year and cannot be changed without the consent of the IRS. An accrual basis U.S. holder that does not make this election will recognize foreign currency exchange gain or loss to the extent that there are exchange rate fluctuations between the sale date and the settlement date, and such gain or loss generally will constitute U.S. source ordinary income or loss.

Gain or loss recognized by a U.S. holder upon the sale, exchange, retirement or other taxable disposition of a Note that is attributable to changes in foreign currency exchange rates (including with respect to accrued stated interest and accrued OID, if any) will be ordinary income or loss and, with respect to the principal thereof, will generally be equal to the difference between the U.S. dollar value of the U.S. holder's purchase price of the Note in foreign currency determined on the date of the sale, exchange, retirement or other taxable disposition, and the U.S. dollar value of the U.S. holder's purchase price of the Note in foreign currency determined on the date the U.S. holder acquired the Note. The foreign currency exchange gain or loss with respect to principal and with respect to accrued and unpaid interest and OID, if any (which will be treated as discussed above under "*—Stated interest on the Notes"* or "*—Original issue discount*") 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 or loss generally from sources within the United States for U.S. foreign tax credit limitation purposes.

Any gain or loss recognized by a U.S. holder in excess of foreign currency exchange 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 U.S. holder that is a non-corporate taxpayer (including individuals), net long term capital gain may be eligible for preferential U.S. federal income tax rates compared to items of ordinary income. 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.

Tax return disclosure requirement

If a U.S. holder recognizes foreign currency exchange loss upon a sale, exchange, retirement or other taxable disposition of, or with respect to the receipt or accrual of interest on, a Note above certain thresholds, such holder may be required to file a disclosure statement with the IRS. U.S. holders should consult their tax advisors regarding this reporting obligation.

Information reporting and backup withholding

In general, payments of interest (and accruals of OID, if any) and the proceeds from the sale, exchange, retirement or other taxable disposition 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 may be subject to backup withholding with respect to such payments or proceeds unless it provides a correct taxpayer identification number or certification of exempt status and, in the case of payments of interest, certifies that such holder is not subject to such withholding, and otherwise complies with applicable certification requirements. In general, a U.S. holder may comply with this requirement by providing the paying agent, broker or other intermediary with a duly completed and executed copy of IRS Form W-9 (or substitute form).

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.

Reporting obligations of owners of foreign financial assets

Section 6038D of the Code generally requires U.S. individuals (and certain entities that have U.S. individual owners or beneficiaries) to file IRS Form 8938 if they hold certain "specified foreign financial assets" (which may include the Notes), the aggregate value of which exceeds certain thresholds, subject to certain exceptions (including an exception for Notes held in accounts maintained by certain financial institutions). If such U.S. holder does not file a required IRS Form 8938, it may be subject to substantial penalties and the statute of limitations on the assessment and collection of all U.S. federal income taxes of such U.S. holder for the related tax year may not close before the date which is three years after the date on which such report is filed. U.S. holders should consult their tax advisors regarding the effect, if any, of this requirement on their purchase, ownership and disposition of the Notes.

Certain material French tax considerations

The following is a summary of certain material French tax considerations relating to the purchase, ownership and disposal of the Notes by an investor who (i) is not a French resident for French tax purposes (unless indicated otherwise), (ii) does not hold the Notes in connection with a business or profession conducted in France, or a permanent establishment or fixed base situated in France, and (iii) does not concurrently hold shares of the Issuer and is not a related party of the Issuer within the meaning of Article 39.12 of the French Tax Code.

This summary is based on the tax laws and regulations of France, as currently in effect and applied by the French tax authorities, and all of which are subject to change, possibly with retroactive effect, or to different interpretation.

This summary is for general information only and does not purport to be a comprehensive description of all of the French tax considerations that may be relevant to specific holders in light of their particular circumstances. Furthermore, this summary does not address any French estate or gift tax considerations.

PROSPECTIVE INVESTORS ARE URGED TO CONSULT THEIR TAX ADVISORS AS TO FRENCH TAX CONSIDERATIONS RELATING TO THE PURCHASE, OWNERSHIP AND DISPOSAL OF THE NOTES IN LIGHT OF THEIR PARTICULAR CIRCUMSTANCES.

Article 1649 AC of the French Tax Code imposes on financial institutions within the meaning of Article 1 of Decree n°2016-1683 to review and collect information on their customers and investors, in order to identify their tax residence, as well as to provide certain account information to relevant foreign tax authorities (through the French tax authorities) on an annual basis.

Payments of interest and other revenues with respect to the Notes

Payments of interest and assimilated revenues made by the Issuer with respect to the Notes will not be subject to the withholding tax set forth under Article 125 A-III of the French Tax Code unless such payments are made outside France in a Non-Cooperative State other than those mentioned in Article 238-0 A 2 *bis* 2° of the same code. If such payments are made in a Non-Cooperative State (other than those mentioned in Article 238-0 A 2 *bis* 2° of the French Tax Code), a 75% withholding tax will be due by virtue of Article 125 A-III of the French Tax Code (subject to certain exceptions certain of which are set forth below and to the more favorable provisions of any applicable double tax treaty). The 75% withholding tax is applicable irrespective of the tax residence of the Noteholders for tax purposes or registered headquarters.

The list of Non-Cooperative States is published by a ministerial order (*arrêté*), which may be updated at any time and at least on a yearly basis. The provisions of the French Tax Code referring to Article 238-0 A of the same Code shall apply to Non-Cooperative States added to this list as from the first day of the third month following the publication of the ministerial order. A law published on October 24, 2018 (Law 2018-898 of October 23, 2018) (i) removed the specific exclusion of the Member States of the European Union, (ii) expanded this list to include States and jurisdictions included on the Black List published by the Council of European Union on December 5, 2017 as amended from time to time and (iii), as a consequence, expanded the scope of application of certain provisions of the French Tax Code relating to Article 238-0 A of the same code.

Under the ministerial order of February 3, 2023 amending the ministerial order of February 12, 2010 issued pursuant to the second paragraph of 1 of Article 238-0 A of the French Tax Code, the list of Non-Cooperative States as of the date of issuance of the Notes is composed of the following States and territories: American Samoa, Anguilla, Antigua and Barbuda, the Bahamas, Belize, Fiji, Guam, Palau, Panama, Russia, Samoa, Seychelles, Trinidad and Tobago, the United States Virgin Islands, Vanuatu and Turks and Caicos Islands. States referred to in Article 238-0 A 2 *bis* 2°, and thus outside the scope of the withholding tax of Article 125 A III of the French Tax Code, currently are, Fiji, Guam, the United States Virgin Islands, Palau, the American Samoa, Samoa and Trinidad and Tobago.

Furthermore, according to Article 238 A of the French Tax Code, interest and other assimilated revenues on the Notes may not be deductible from the 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 opened in a financial institution located in such a Non-Cooperative State. Under certain conditions, any such non-deductible interest and other assimilated revenues may be re-characterized as deemed dividends pursuant to Article 109 *et seq*. of the French Tax Code, in which case such non-deductible interest and other assimilated revenues may be subject to the withholding tax set out under Article 119 *bis* 2 of the French Tax Code at a rate of (i) 75% if they are paid on an account opened in a financial institution located in a Non-Cooperative State, unless such Non-Cooperative State is referred to in Article 238-0 A 2 *bis* 2° of the French Tax Code, (ii) 25% if they are paid to a non-French tax resident legal person or (iii) 12.8% in cases where the holder is a non-French tax resident individual, in each case, subject to certain exceptions and the more favorable provisions of any applicable tax treaty.

Notwithstanding the foregoing, neither the 75% withholding tax set out under Article 125 A-III of the French Tax Code, nor, to the extent the Issuer can demonstrate that the relevant interest and other assimilated revenues relate to genuine transactions and are not in an abnormal or exaggerated amount, the non deductibility set out under Article 238 A of the French Tax Code nor 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 non deductibility, will apply in respect of a particular issue of notes if the issuer can prove that the main purpose and effect of such issue of notes is not to enable payments of interest or other assimilated revenues to be made in a Non-Cooperative State (other than those mentioned in 2° of 2 *bis* of Article 238-0 A of the French Tax Code when it relates to Article 125 A III and Article 119 *bis* 2 of the French Tax Code) (the "**Exception**").

In addition, pursuant to the French administrative guidelines (*Bulletin Officiel des Finances Publiques-Impôts*) referenced as BOI-INT-DG-20-50-30 dated 14/06/2022 §150 and §160, and BOI-INT-DG-20-50-20 dated 06/06/2023 §290, an issue of notes benefits from the Exception without the issuer having to provide any proof of the main purpose and effect of such issue of notes, and accordingly will be able to automatically benefit from the Exception (the "**Safe Harbor**") if such notes are on the date of their issuance or their admission to trading:

(i) offered by means of a public offer within the meaning of Article L.411-1 of the French monetary and financial code (*Code monétaire et financier*) (the "**French Monetary and Financial Code**") or pursuant to an equivalent offer in a State which is not a Non-Cooperative State. For this purpose, an "equivalent offer" means any offer requiring the registration or submission of an offer document by or with a foreign securities market authority; or

(ii) admitted to trading on a French or foreign regulated market or a multilateral securities trading system provided that such market or system is not located in a Non-Cooperative State, and the operation of such market is carried out by a market operator or an investment services provider, or by such other similar foreign entity, provided further that such market operator, investment services provider or entity is not located in a Non-Cooperative State; or

(iii) admitted, at the time of their issue, to the operations of a central depositary or of a securities delivery and payments systems operator within the meaning of Article L.561-2 of the French Monetary and Financial Code, or of one or more similar foreign depositaries or operators, provided that such depositary or operator is not located in a Non-Cooperative State.

The Notes will qualify as debt securities under French commercial law. Considering that, at the time of their issue, the Notes will be admitted to the operations of Euroclear and Clearstream, which will not be located in a Non-Cooperative State, the Notes will benefit from the Safe Harbor. Accordingly, payments of interest and other assimilated revenue by the Issuer with respect to the Notes will be exempt from the withholding tax set out under Article 125 A-III of the French Tax Code. Moreover, under the same conditions and to the extent that the Issuer can demonstrate that the relevant interest and other assimilated revenues relate to genuine transactions and are not in an abnormal or exaggerated amount, they will be subject neither to the non deductibility set out under Article 238 A of the French Tax Code nor to the related withholding tax set out under Article 119 *bis* 2 of the French Tax Code, solely on account of their being paid to a bank account opened in a financial institution located in a Non-Cooperative State or accrued or paid to persons established or domiciled in such Non-Cooperative State.

Withholding tax applicable to French tax resident individuals

Pursuant to Article 125 A of the French Tax Code *(i.e.,* where the paying agent *(établissement payeur)* is located in France), subject to certain exceptions, interest received by French tax resident individuals is subject to a 12.8% levy withheld at source, which is deductible from their personal income tax liability in respect of the year in which the payment has been made. Social contributions, including the generalized social contribution (*Contribution Sociale Généralisée*), the contribution to the repayment of social debt (*Contribution au Remboursement de la Dette Sociale*) and other related contributions, are also levied at source at an aggregate rate of 17.2% on interest paid to French tax resident individuals. Holders of Notes who are French tax resident individuals are urged to consult with their usual tax advisor on the way the 12.8% levy and the 17.2% social contributions are collected, where the paying agent is not located in France.

Taxation on disposal

Pursuant to Article 244 *bis* C of the French Tax Code, a Noteholder who is not a resident of France for French tax purposes and who does not hold the Notes in connection with a permanent establishment or a fixed place of business in France should not be subject to any income or withholding taxes in France in respect of the gains realized on the sale, exchange or disposal of Notes.

Stamp duties

No transfer taxes or similar duties are payable in France in connection with the transfer of the Notes, provided that such transfer is not recorded in a deed registered with the French tax authorities on a voluntary basis.

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.

PLAN OF DISTRIBUTION

Subject to the terms and conditions set forth in the purchase agreement (the "**Purchase Agreement**"), dated as of the date of the offering memorandum, the Issuer has agreed to sell to the Initial Purchasers, and subject to certain conditions contained therein, each Initial Purchaser has agreed, severally and not jointly, to purchase from the Issuer the entire principal amount of the Notes.

The obligations of the Initial Purchasers under the Purchase Agreement, including their agreement to purchase Notes from the Issuer, are several and not joint. The Purchase Agreement provides that the Initial Purchasers will purchase all the Notes if they purchase any of them.

The Purchase Agreement provides that the obligations of the Initial Purchasers to pay for and accept delivery of the Notes are subject to, among other conditions, the delivery of certain legal opinions of counsel. The Purchase Agreement also provides that, if an Initial Purchaser defaults, the purchase commitments of the non-defaulting Initial Purchasers may be increased or, in some cases, the Offering may be terminated. The Initial Purchasers reserve the right to withdraw, cancel or modify offers to investors and to reject orders in whole or in part.

The Initial Purchasers propose to offer the Notes initially at the issue price indicated on the cover page of these listing particulars. After the initial offering of the Notes, the offering price and other selling terms of the Notes may from time to time be varied by the Initial Purchasers without notice. The Initial Purchasers may offer and sell the Notes through certain of their affiliates who are qualified broker-dealers under applicable law, including in respect of sales into the United States.

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 issue price set forth on the cover page of these listing particulars.

The Issuer has agreed to pay the Initial Purchasers certain customary fees for their services in connection with the Offering and to reimburse them for certain out-of-pocket expenses. The Purchase Agreement also provides that the Issuer will indemnify and hold harmless the Initial Purchasers against certain liabilities, including liabilities under the Securities Act, and will contribute to payments that the Initial Purchasers may be required to make in respect thereof.

The Issuer has agreed that, except with the prior written consent of the representative of the Initial Purchasers, neither it nor the Guarantors will offer, sell, contract to sell or otherwise dispose of or announce an intention to offer, sell, contract to sell or otherwise dispose of, except as provided under the Purchase Agreement, any debt securities of, or guaranteed by, it or the Guarantors or any of their subsidiaries that are substantially similar to the Notes or the Notes Guarantees for a period of 60 days after the date of the Purchase Agreement.

The Notes and the Notes Guarantees have not been and will not be registered under the Securities Act, or the securities laws of any other jurisdiction. The Initial Purchasers have agreed that they will only offer or sell the Notes (i) in the United States to persons they reasonably believe to be QIBs in reliance on Rule 144A and (ii) to certain non-U.S. persons outside the United States in offshore transactions in reliance on Regulation S. The Initial Purchasers have also agreed that, except as permitted by the Purchase Agreement, they will not offer, sell or deliver the Notes (a) as part of their initial distribution of the Notes at any time or (b) otherwise until 40 days following the later of the commencement of the Offering and the Issue Date, within the United States or to, or for the account or benefit of, U.S. persons, and they will have sent to each broker or dealer to which they sell Notes in reliance on Regulation S during such 40-day period a confirmation or other notice detailing the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons. In addition, until 40 days after the commencement of the Offering, an offer or sale of Notes sold in reliance on Regulation S within the United States by a dealer (whether or not participating in the Offering) may violate the registration requirements of the Securities Act if that offer or sale is made otherwise than in accordance with Rule 144A or another exemption from registration under the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S.

Each purchaser of the Notes will, by its purchase, be deemed to have made certain acknowledgments, representations, warranties and agreements as set forth under "*Important information*" and "*Notice to investors.*"

Each Initial Purchaser, severally and not jointly, has represented, warranted and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes to any retail investor in the EEA. For the purposes of this provision, the expression "retail investor" means a person who is one (or more) of the following:

- a retail client as defined in point (11) of Article 4(1) of MiFID II;

- a customer within the meaning of the IDD, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or

- not a qualified investor as defined in the Prospectus Regulation.

Each Initial Purchaser, severally and not jointly, has represented, warranted and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes to any retail investor in the United Kingdom. For the purposes of this provision, the expression "retail investor" means a person who is one (or more) of the following:

- a retail client as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the EUWA;

- a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement the IDD, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or

- not a qualified investor as defined in the UK Prospectus Regulation.

Each Initial Purchaser, severally and not jointly, has represented, warranted and agreed that it:

- has only communicated or caused to be communicated, and will only communicate or cause to be communicated, any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by it in connection with the issuance or sale of any Notes in circumstances in which section 21(1) of the FSMA does not apply to the Issuer or the Guarantors; and

- has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Notes in, from or otherwise involving the United Kingdom.

No action has been taken in any jurisdiction, including the United States, by the Issuer or the Initial Purchasers that would permit a public offering of the Notes or the possession, circulation or distribution of these listing particulars or any other material relating to the Issuer or the Notes in any jurisdiction where action for this purpose is required. Accordingly, the Notes may not be offered or sold, directly or indirectly, and neither these listing particulars nor any other offering material or advertisements in connection with the Notes may be distributed or published, in or from any country or jurisdiction, except in compliance with any applicable rules and regulations of any such country or jurisdiction. These listing particulars do not constitute an offer to sell or a solicitation of an offer to purchase Notes in any jurisdiction where such offer or solicitation would be unlawful. Persons into whose possession these listing particulars come are advised to inform themselves about and to observe any restrictions relating to the Offering, the distribution of these listing particulars and resale of the Notes. See "*Important information*" and "*Notice to investors.*"

The Issuer has agreed that it will not at any time offer, sell, contract to sell, pledge or otherwise dispose of, directly or indirectly, any securities under circumstances in which such offer, sale, pledge, contract or disposition would cause the exemption afforded by Section 4(a)(2) of the Securities Act or the safe harbors of Rule 144A and Regulation S to cease to be applicable to the offer and sale of the Notes.

The Notes are a new issuance of securities, and there is currently no established trading market for the Notes. In addition, the Notes are subject to certain restrictions on resale and transfer as described under "*Important information*" and "*Notice to investors*." Application has been made to the Exchange for the listing of the Notes and the Exchange Notes on the Securities Official List of the Exchange. There can be no assurance that such listing will be maintained. The Initial Purchasers have advised us that they intended to make a market in the Notes as permitted by applicable law, but they are not obligated to do so. The Initial Purchasers may discontinue any market making in the Notes at any time without notice in their sole discretion. 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 will develop for the Notes, that it will be liquid if it does develop or that you will be able to sell any Notes at a particular time or at a price which will be favorable to you. See "*Risk factors—Risks related to our financing arrangements and the Notes—There may not be active trading markets for the Notes, in which case your ability to sell the Notes will be limited.*"

In connection with the Offering, J.P. Morgan SE, or one of its respective affiliates or persons acting on its behalf (the "**Stabilizing Manager**") may engage in transactions that stabilize, maintain or otherwise affect the price of the Notes. Specifically, the Stabilizing Manager may bid for and purchase Notes in the open markets for the purpose of pegging, fixing or maintaining the price of the Notes. The Stabilizing Manager may also over-allot the Offering (which involves

sales in excess of the offering size), creating a syndicate short position, and may bid for and purchase Notes in the open market to cover the syndicate short position. In addition, the Stabilizing Manager may bid for and purchase Notes in market-making transactions as permitted by applicable laws and regulations and may also impose penalty bids (which permit the Stabilizing Manager to reclaim a selling concession from a broker or dealer when the Notes originally sold by that broker or dealer are purchased in a stabilizing or covering transaction to cover short positions). These activities may stabilize or maintain the market price of the Notes above market levels that may otherwise prevail. The Stabilizing Manager is not required to engage in these activities, and may end these activities at any time. Accordingly, no assurance can be given as to the liquidity of, or trading markets for, the Notes. See "*Risk factors—Risks related to our financing arrangements and the Notes—There may not be active trading markets for the Notes, in which case your ability to sell the Notes will be limited.*"

These stabilizing transactions, covering transactions and penalty bids may cause the price of the Notes to be higher than it would otherwise be in the absence of these transactions. These transactions may begin on or after the date on which adequate public disclosure of the terms of the Offering is made and, if commenced, may be discontinued at any time at the sole discretion of the Stabilizing Manager. If these activities are commenced, they must end no later than the earlier of 30 calendar days after the Issue Date and 60 calendar days after the date of the allotment of the Notes. These transactions may be effected in the over-the-counter market or otherwise. Neither the Issuer nor any of the Initial Purchasers make any representation or prediction as to the direction or magnitude of any effect that the transactions described above may have on the price of the Notes.

Delivery of the Notes was made against payment on the Notes to investors on the Issue Date, which was six business days (as such term is used for purposes of Rule 15c6-1 of the Exchange Act) following the date of pricing of the Notes (this settlement cycle is referred to as ("**T+6**")). Under Rule 15c6-1 of the Exchange Act, 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 the Notes on the date of the offering memorandum or the following three business days will be required to specify an alternative settlement cycle at the time of any such trade to prevent a failed settlement. Purchasers of the Notes who wish to make such trades should consult their own advisors.

Other relationships

The Initial Purchasers and their respective affiliates are full-service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, investment research, principal investment, hedging, financing and brokerage activities. The Initial Purchasers and their respective affiliates have, from time to time, performed, and may currently and/or in the future perform, various financial advisory, investment and corporate banking, commercial lending and banking, consulting and other commercial services in the ordinary course of business for the Issuer and its affiliates, and may have from time to time in the past held, and may in the future hold, positions in the Issuer's or any of their affiliates' securities or enter into hedging or general derivative transactions with the Issuer or their affiliates in the ordinary course of business, for which they received or will receive customary fees and commissions and reimbursement of expenses. The Initial Purchasers or their affiliates may also receive allocations of the Notes.

The Initial Purchasers or their affiliates are mandated lead arrangers and original lenders under, and receive fees in connection with, the Revolving Credit Facility Agreement and the PGE Loan. BNP Paribas is also the Security Agent under the 2026 Indenture, the 2027 Indenture and the Revolving Credit Facility Agreement and the Senior Term Loan Facility Agreement. J.P. Morgan SE and Crédit Agricole Corporate and Investment Bank are also acting as dealer managers in connection with the Tender Offer and Exchange Offer. Affiliates of Crédit Agricole Corporate and Investment Bank are lenders under the Senior Term Loan Facility Agreement. The Initial Purchasers or their affiliates may also act as counterparties in hedging arrangements.

In the ordinary course of their various business activities, the Initial Purchasers and their respective affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers, and such investment and securities activities may involve securities and/or instruments of the Issuer or their affiliates (directly, as collateral securing other obligations or otherwise). Certain of the Initial Purchasers or their affiliates that have a lending relationship with the Issuer or its affiliates routinely hedge and may hedge their credit exposure to the Issuer or its affiliates consistent with their customary risk management policies. Certain of the Initial Purchasers and their affiliates may 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 positions could adversely affect future trading prices of the Notes offered hereby. The Initial Purchasers and their respective affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or instruments and at any time may hold, or recommend to customers that they acquire, long and/or short positions in such securities and instruments.

NOTICE TO INVESTORS

You are advised to consult legal counsel prior to making any offer, sale, resale, pledge or other transfer of any of the Notes and the Notes Guarantees offered hereby.

The Notes and the Notes Guarantees have not been and will not be registered under the Securities Act, or the securities laws of any other jurisdiction and, unless so registered, may not be offered or sold except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and the securities laws of any other applicable jurisdiction. Accordingly, the Notes and the Notes Guarantees offered hereby are being offered and sold to the Initial Purchasers for re-offer and resale only to QIBs in accordance with Rule 144A and to certain non-U.S. persons outside the United States in offshore transactions in reliance on Regulation S.

We use the terms "offshore transaction," "United States" and "U.S. person" with the meanings given to them in Regulation S.

You, by your acceptance thereof, will be deemed to have acknowledged, represented to and agreed with the Issuer and the Initial Purchasers as follows:

(1) You understand and acknowledge that the Notes and the Notes Guarantees are being offered for resale in a transaction not involving any public offering in the United States within the meaning of the Securities Act, that the Notes have not been and will not be registered under the Securities Act or any other applicable securities law and that if in the future you decide to offer, resell, pledge or otherwise transfer any of the Notes, such Notes may be offered, resold, pledged or otherwise transferred only in compliance with the registration requirements of the Securities Act or any applicable state securities law, pursuant to an exemption therefrom or in any transaction not subject thereto and in each case in compliance with the conditions for transfer set forth in paragraphs (4), (5) and (6) below.

(2) You are neither the Issuer's "affiliate" (as defined in Rule 144A), nor acting on its behalf, and that you are either:

   (i) a QIB, and are aware that any sale of Notes to you will be made in reliance on Rule 144A and such acquisition of Notes will be for your own account or for the account of another QIB; or

   (ii) a non-U.S. person purchasing the Notes outside the United States in an offshore transaction in accordance with Regulation S, and, if you are in a member state of the EEA or the United Kingdom, you are not a retail investor. The expression "retail investor" in relation to any Member State of the EEA means a person who is one (or more) of the following: (i) a retail client as defined in point (11) of MiFID II; (ii) a customer within the meaning of the IDD, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in the Prospectus Regulation. The expression "retail investor" in relation to the United Kingdom 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 IDD, 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 the UK Prospectus Regulation.

(3) You acknowledge that neither we nor the Initial Purchasers, nor any person representing us or the Initial Purchasers, has made any representation to you with respect to us or the offer or sale of any Notes, other than the information contained in these listing particulars, which these listing particulars have been delivered to you and upon which you are relying in making your investment decision with respect to the Notes. You acknowledge that neither the Initial Purchasers nor any person representing the Initial Purchasers make any representation or warranty as to the accuracy or completeness of the information contained in these listing particulars. You acknowledge that you have had access to such financial and other information concerning us and the Notes as you have deemed necessary in connection with your decision to purchase the Notes, including an opportunity to ask questions of, and request information from, us and the Initial Purchasers.

(4) You are purchasing the Notes for your own account, or for one or more investor accounts for which you exercise sole investment discretion and for which you are acting as a fiduciary or agent, in each case for investment, and not with a view to, or for offer or sale in connection with, any distribution thereof in violation of the Securities Act or the securities laws of any other jurisdiction, subject to any requirement of law that the disposition of your property or the property of such investor account or accounts be at all times within your or their control and subject

to your or their ability to resell such Notes pursuant to Rule 144A, Regulation S or any other exemption from registration available under the Securities Act.

(5) You understand and agree on your own behalf and on behalf of any investor account for which you are purchasing the Notes, and each subsequent holder of the Notes by the acceptance thereof will be deemed to agree, that if in the future you decide to offer, sell, pledge or otherwise transfer the Notes or any beneficial interests therein, you will not do so prior to the date (the "**Resale Restriction Termination Date**") that is, in the case of Notes sold in reliance on Rule 144A, one year after the later of the Issue Date, the original issue date of the issuance of any additional Notes and the last date on which the Issuer or any of its affiliates was the owner of such Notes (or any predecessor thereto) or, in the case of Notes sold in reliance on Regulation S, 40 days after the later of the Issue Date, the original issue date of the issuance of any additional Notes and the date on which the Notes were first offered to persons other than distributors, only (i) to the Issuer, the Guarantors or any subsidiary thereof, (ii) pursuant to a registration statement that has been declared effective under the Securities Act, (iii) for so long as the Notes are eligible for resale pursuant to Rule 144A, to a person you reasonably believe is a QIB that purchases for its own account or for the account of a QIB to whom notice is given that the transfer is being made in reliance on Rule 144A, (iv) pursuant to offers and sales that occur outside the United States in offshore transactions in compliance with Regulation S or (v) pursuant to any other available exemption from the registration requirements of the Securities Act, subject in each of the foregoing cases to any requirement of law that the disposition of your property or the property of such investor account or accounts be at all times within your or their control and to compliance with any applicable state securities laws, and any applicable local laws and regulations, and further subject to the Issuer's rights prior to any such offer, sale or transfer (I) pursuant to clause (v) to require the delivery of an opinion of counsel, certification or other information satisfactory to each of them and (II) in each of the foregoing cases, to require that a certificate of transfer in the form appearing on the reverse of such Notes is completed and delivered by the transferor to the Transfer Agent or the Registrar.

(6) Each purchaser acknowledges that each Note will contain a legend substantially to the following effect:

THIS SECURITY HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR THE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION. NEITHER THIS SECURITY NOR ANY INTEREST OR PARTICIPATION HEREIN MAY BE REOFFERED, SOLD, ASSIGNED, TRANSFERRED, PLEDGED, ENCUMBERED OR OTHERWISE DISPOSED OF IN THE ABSENCE OF SUCH REGISTRATION OR UNLESS SUCH TRANSACTION IS EXEMPT FROM, OR NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT.

THE HOLDER OF THIS SECURITY, BY ITS ACCEPTANCE HEREOF, (1) REPRESENTS THAT IT IS A "QUALIFIED INSTITUTIONAL BUYER" (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT) ("QIB"); (2) AGREES ON ITS BEHALF AND ON BEHALF OF ANY INVESTOR FOR WHICH IT HAS PURCHASED SECURITIES TO OFFER, SELL OR OTHERWISE TRANSFER THIS SECURITY OR A BENEFICIAL INTEREST IN THIS SECURITY PRIOR TO THE DATE (THE "RESALE RESTRICTION TERMINATION DATE") THAT IS [IN THE CASE OF REGULATION S NOTES: 40 DAYS AFTER THE LATER OF THE ORIGINAL ISSUE DATE HEREOF (OR IF LATER, THE ISSUE DATE OF ANY ADDITIONAL NOTES) AND THE DATE ON WHICH THIS SECURITY WAS FIRST OFFERED TO PERSONS OTHER THAN DISTRIBUTORS (AS DEFINED IN RULE 902 OF THE REGULATION S)] [IN THE CASE OF RULE 144A NOTES: ONE YEAR AFTER THE LATER OF THE ORIGINAL ISSUE DATE OF SUCH SECURITIES, THE ORIGINAL ISSUE DATE OF THE ISSUANCE OF ANY ADDITIONAL SECURITIES AND THE LAST DATE ON WHICH ANY OF THE ISSUER OR ANY AFFILIATE THEREOF WAS THE OWNER OF THIS SECURITY (OR ANY PREDECESSOR OF THIS SECURITY)] ONLY (A) TO THE ISSUER, THE GUARANTORS OR ANY SUBSIDIARY THEREOF, (B) PURSUANT TO A REGISTRATION STATEMENT THAT HAS BEEN DECLARED EFFECTIVE UNDER THE SECURITIES ACT, (C) FOR SO LONG AS THE SECURITIES ARE ELIGIBLE FOR RESALE PURSUANT TO RULE 144A UNDER THE SECURITIES ACT ("RULE 144A"), TO A PERSON IT REASONABLY BELIEVES IS A QIB THAT PURCHASES FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QIB TO WHOM NOTICE IS GIVEN THAT THE TRANSFER IS BEING MADE IN RELIANCE ON RULE 144A, (D) PURSUANT TO OFFERS AND SALES THAT OCCUR OUTSIDE THE UNITED STATES IN OFFSHORE TRANSACTIONS IN COMPLIANCE WITH REGULATION S UNDER THE SECURITIES ACT, OR (E) PURSUANT TO ANY OTHER AVAILABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT, SUBJECT IN EACH OF THE FOREGOING CASES TO ANY REQUIREMENT OF LAW THAT THE DISPOSITION OF ITS PROPERTY OR THE PROPERTY OF SUCH INVESTOR ACCOUNT OR ACCOUNTS BE AT ALL TIMES WITHIN ITS OR THEIR CONTROL AND IN COMPLIANCE WITH ANY APPLICABLE STATE SECURITIES LAWS, AND ANY APPLICABLE LOCAL LAWS AND

REGULATIONS, AND FURTHER SUBJECT TO THE ISSUER'S RIGHTS PRIOR TO ANY SUCH REOFFER, SALE OR TRANSFER (I) PURSUANT TO CLAUSE (E) TO REQUIRE THE DELIVERY OF AN OPINION OF COUNSEL, CERTIFICATION AND/OR OTHER INFORMATION SATISFACTORY TO EACH OF THEM, AND (II) IN EACH OF THE FOREGOING CASES, TO REQUIRE THAT A CERTIFICATE OF TRANSFER IN THE FORM APPEARING ON THE OTHER SIDE OF THIS SECURITY IS COMPLETED AND DELIVERED BY THE TRANSFEROR TO THE REGISTRAR OR TRANSFER AGENT AND AGREES THAT IT WILL GIVE TO EACH PERSON TO WHOM THIS SECURITY IS TRANSFERRED A NOTICE SUBSTANTIALLY TO THE EFFECT OF THIS LEGEND.

The following legend shall also be included, if applicable:

THE FOLLOWING INFORMATION IS SUPPLIED SOLELY FOR U.S. FEDERAL INCOME TAX PURPOSES. THIS NOTE WAS ISSUED WITH ORIGINAL ISSUE DISCOUNT ("OID") WITHIN THE MEANING OF SECTION 1273 OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "CODE"), AND THIS LEGEND IS REQUIRED BY SECTION 1275(C) OF THE CODE. HOLDERS MAY OBTAIN INFORMATION REGARDING THE AMOUNT OF OID, THE ISSUE PRICE, THE ISSUE DATE AND THE YIELD TO MATURITY RELATING TO THE NOTES BY CONTACTING THE ISSUER AT C/O 30 BIS, RUE SAINTE-HÉLÈNE, 69002 LYON, FRANCE.

A purchaser of Notes will also be deemed to acknowledge that the foregoing restrictions apply to holders of beneficial interests in these Notes as well as to holders of these Notes.

(7) You agree that you will give to each person to whom you transfer the Notes notice of any restrictions on the transfer of such Notes.

(8) You acknowledge that until 40 days after the commencement of the Offering, any offer or sale of the Notes within the United States by a dealer (whether or not participating in the Offering) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with Rule 144A under the Securities Act;

(9) You acknowledge that the Transfer Agent and the Registrar will not be required to accept for registration or transfer any Notes acquired by you except upon presentation of evidence satisfactory to us, the Transfer Agent and the Registrar that the restrictions set forth therein have been complied with.

(10) You acknowledge that we, the Initial Purchasers and others will rely upon the truth and accuracy of your acknowledgements, representations, warranties and agreements and agree that if any of the acknowledgements, representations, warranties and agreements deemed to have been made by your purchase of the Notes are no longer accurate, you shall promptly notify the Initial Purchasers. If you are acquiring any Notes as a fiduciary or agent for one or more investor accounts, you represent that you have sole investment discretion with respect to each such investor account and that you have full power to make the foregoing acknowledgements, representations, warranties and agreements on behalf of each such investor account.

(11) You understand that no action has been taken in any jurisdiction (including the United States) by the Issuer or the Initial Purchasers that would result in a public offering of the Notes or the possession, circulation or distribution of these listing particulars or any other material relating to the Issuer or the Notes in any jurisdiction where action for such purpose is required. Consequently, any transfer of the Notes will be subject to the selling restrictions set forth under "*Plan of distribution*."

(12) You understand that: (i) the Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor (as defined above) in the EEA, and (ii) no key information document (as defined in the PRIIPs Regulation) for offering or selling any in scope instrument or otherwise making such instruments available to retail investors in the EEA has been prepared. Offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful.

(13) You understand that: (i) the Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor (as defined above) in the United Kingdom, and (ii) no key information document (as defined in the UK PRIIPs Regulation) for offering or selling any in scope instrument or otherwise making such instruments available to retail investors in the United Kingdom has been prepared. Offering or selling the Notes or otherwise making them available to any retail investor in the United Kingdom may be unlawful.

(14) With respect to the purchase, holding and disposition of any Note or any interest in such Note either (1) you are not acting on behalf of (and for so long as you hold any such Note or interest therein will not be, and will not be acting on behalf of), a Plan, and no part of the assets to be used by it to acquire or hold such Notes or any interest therein constitutes or will constitute the assets of any Plan, or (2) your acquisition, holding and disposition of such Notes (or interests therein) will not constitute or result in a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code, or a non-exempt violation of any Similar Law. If you are an ERISA Plan or entity whose underlying assets are considered to include "plan assets" (within the meaning of 29 CFR § 2510.3-101, as modified by Section 3(42) of ERISA) of any such ERISA Plan, (I) none of the Issuer, Initial Purchasers, the Trustee, the Agents and their respective affiliates (the "**Transaction Parties**") has acted as your fiduciary (within the meaning of ERISA or the Code), or has been relied upon for any advice, with respect to your decision to acquire and hold the Notes, and none of the Transaction Parties shall at any time be relied upon as your fiduciary with respect to any decision to acquire, continue to hold or transfer the Notes.

SERVICE OF PROCESS AND ENFORCEMENT OF CIVIL LIABILITIES

The Issuer and the Guarantors (other than Kiloutou Danmark) are organized under the laws of France, and Kiloutou Danmark is organized under the laws of Denmark. The Security Documents relating to the Collateral are governed by the laws of France or Denmark. The Notes and the Indenture are governed by New York law. The Intercreditor Agreement is governed by the laws of England and Wales. The directors, managers, officers and other executives of the Issuer and the Guarantors are neither residents nor citizens of the United States. Since substantially all of the assets of the Issuer and the Guarantors, and their respective directors, managers and officers, are located outside the United States, any judgment obtained in the United States against the Issuer or the Guarantors or any such other person, including judgments with respect to the payment of principal, premium (if any) and interest on the Notes or any judgment of a U.S. court predicated upon civil liabilities under U.S. federal or state securities laws or other laws, may not be enforceable in the United States. Furthermore, although the Issuer and the Guarantors appointed an agent for service of process in the United States and submitted to the jurisdiction of certain New York courts, in each case, in connection with any suit, action or proceeding in relation to the Notes, the Notes Guarantees and the Indenture, or under U.S. securities laws or other laws, it may not be possible for investors to effect service of process on the Issuer and the Guarantors or such other persons as mentioned above within the United States in any action, including actions predicated upon the civil liability provisions of U.S. federal securities laws or other laws. It may be possible for investors to effect service of process within other jurisdictions upon those persons not located in the United States provided that, for example, The Hague Convention on the Service Abroad of Judicial and Extrajudicial Documents in Civil or Commercial Matters of November 15, 1965 is complied with.

If a judgment is obtained in a U.S. court against any of the Issuer or the Guarantors, or any of their respective directors, managers or officers, investors will need to enforce such judgment in jurisdictions where the relevant company or individual has assets. While the enforceability of U.S. court judgments outside the United States is summarized in part below for France and Denmark, you should consult with your own advisors in any relevant jurisdictions to enforce a judgment in France, Denmark or elsewhere in the United States.

France

Each of the Issuer and the Guarantors (other than Kiloutou Danmark) is an entity organized under the laws of France with its respective registered office or principal place 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 and 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 in civil and commercial matters, 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 following is a summary of certain legal aspects of French law regarding the enforcement in France of civil law entitlements connected with the Notes against the French Entities and/or the French Individuals.

The French Entities have been advised by Weil, Gotshal and Manges (Paris) LLP, their French counsel, that 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 and which is enforceable in the United States, would not directly be recognized or enforceable in France.

A party in whose favor such a judgment was rendered in the United States could initiate recognition and enforcement proceedings (*exequatur*) in France before the relevant civil court (*Tribunal judiciaire*) that has exclusive jurisdiction over such matter.

Recognition and enforcement in France of such U.S. judgment could be obtained following proper (*i.e.*, non *ex parte*) proceedings 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 "indirect" jurisdiction over the matter as this concept is defined by French courts in the context of recognition and enforcement of foreign judgments, meaning that the dispute was clearly connected to the jurisdiction of such court, the choice of the U.S. court was not fraudulent and the French courts did not have exclusive jurisdiction over the matter;

- such U.S. judgment does not contravene French international public policy rules (*ordre public international*), both pertaining to the merits and to the procedure of the case, including fundamental procedural rights;

- such U.S. judgment is not tainted with fraud under French law; and

- in addition, it is well established that only final and binding foreign judicial decisions (*i.e.*, those having a *res judicata* effect) 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. The decision granting the exequatur can be appealed before the Court of Appeals.

In addition, the discovery process under actions filed in the United States could be adversely affected under certain circumstances by French criminal law no. 68-678 of July 26, 1968, as modified by French law No. 80-538 of July 16, 1980 (relating to the communication of documents and information of an economic, commercial, industrial, financial or technical nature to foreign authorities) and French Ordinance No. 2000-916 of September 19, 2000 (adapting the value in euros of certain amounts expressed in francs in legislative texts), which could 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) 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 a French person. Pursuant to Article 15 of the French Civil Code, a French national can be sued by a foreign claimant before French courts in connection with the performance of obligations contracted by the French national in a foreign country with the foreign claimant. For a long time, case law has interpreted these provisions as meaning that a French national, either claimant or defendant, could not be forced against its will to appear before a jurisdiction other than French courts. However, according to case law, the French courts' jurisdiction over French nationals is not mandatory to the extent an action has been commenced before a court in a jurisdiction that has sufficient contacts with the dispute and the choice of jurisdiction is not fraudulent. In addition, a French national may waive its rights to benefit from the provisions of Articles 14 and 15 of the French Civil Code, including by a jurisdiction provision in a contract or 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, as regards legal actions falling within the scope of said Regulation, 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 an EU member state. Conversely, pursuant to Article 6.2 of Regulation (EU) No. 1215/2012, 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 High Court (*Cour de cassation*) dated September 26, 2012, March 25, 2015 and October 7, 2015 permit to conclude – despite a contrary decision of the commercial chamber of the French High Court (*chambre commerciale de la Cour de Cassation*) issued on May 11, 2017 – 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 civil chamber of the French High Court has confirmed this rule in a decision issued on October 3, 2018. These decisions were issued on the basis of the Brussels Regulation 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 have yet to be confirmed in cases that fall outside this scope.

Denmark

The United States and Denmark do not have a treaty providing for the reciprocal recognition and enforcement of judgments in civil and commercial matters. Consequently, a final judgment for payment rendered by any federal or state court in the United States based on civil liability, whether or not predicated solely upon U.S. federal or state securities laws enforceable in the United States, would not directly be recognized or enforceable in Denmark.

A final judgment properly obtained in a U.S. court will therefore neither be recognized nor enforced by the Danish courts without re-examination of the substantive matters thereby adjudicated. In connection with any such re-examination, the judgment will generally be accepted as material evidence, but the parties may need to provide the Danish courts with satisfactory information about the contents of the relevant foreign law and, if they fail to do so, the Danish courts may apply Danish law instead.

Further, certain remedies available under U.S. law may not be allowed in Danish courts as contrary to Danish public policy.

LEGAL MATTERS

Certain legal matters in connection with the Offering will be passed upon for us by Paul Hastings LLP as to matters of U.S. federal and New York law, Weil, Gotshal and Manges (London) LLP as to matters of English law, Weil, Gotshal and Manges (Paris) LLP as to matters of French law and Bird & Bird Advokatpartnerselskab as to matters of Danish law.

Certain legal matters in connection with the Offering will be passed upon for the Initial Purchasers by Latham & Watkins AARPI as to matters of U.S. federal law, New York law and French law, Latham & Watkins (London) LLP as to matters of English law and Kromann Reumert as to matters of Danish law.

INDEPENDENT STATUTORY AUDITORS

The Audited Consolidated Financial Statements of the Issuer as of and for the years ended December 31, 2021, 2021 and 2022, English translations of which are included in these listing particulars, have been audited by KPMG S.A. and PricewaterhouseCoopers Audit, as stated in the free English translations of their audit reports. The 2023 Unaudited Interim Condensed Consolidated Financial Statements, which are included in these listing particulars, have been subject to a review by KPMG S.A. and PricewaterhouseCoopers Audit, as stated in their review report.

The registered address of KPMG S.A. is 36, rue Eugène Jacquet, 59705 Marcq en Baroeul, France. The registered address of PricewaterhouseCoopers Audit is 63 rue de Villiers, 92208 Neuilly-sur-Seine Cedex, France. KPMG and PricewaterhouseCoopers Audit are members of the Versailles and the Center Regional Company of Statutory Auditors.

LISTING AND GENERAL INFORMATION

Admission to listing

Application has been made to list the Notes on the Securities Official List of the Exchange. There can be no assurance that such listing will be maintained.

The Notes are only intended to be offered in the primary market to, and held by, investors who are particularly knowledgeable in investment matters.

Listing information

Notice to holders of the Notes will be published on the official website of the Exchange (*www.luxse.com*).

For so long as the Notes are listed on the Securities Official List of the Exchange and the listing rules so require, copies of the following documents may be inspected and obtained, free of charge, at the specified office of the Issuer during normal business hours on any weekday (Saturdays, Sundays and public holidays excluded):

- these listing particulars;
- the organizational documents of the Issuer and the Guarantors;
- the most recent audited consolidated financial statements published by the Issuer;
- the Indenture (which includes the Notes Guarantees and form of the Notes); and
- the Intercreditor Agreement.

We have appointed The Bank of New York Mellon SA/NV, Dublin Branch as registrar and Matheson LLP as listing agent. We reserve the right to vary such appointment in accordance with the terms of the Indenture. Application may also be made to the Exchange to have the Notes removed from listing on the Securities Official List of the Exchange, including if necessary to avoid any new withholding taxes in connection with the listing.

Litigation

Except as disclosed elsewhere in these listing particulars, none of the Issuer or the Guarantors, nor any of their direct or indirect subsidiaries, is involved and has been involved, during the twelve months preceding the date of the offering memorandum, in any litigation, arbitration or administrative proceedings which would, individually or in the aggregate, have a material adverse effect on its results of operations, condition (financial or other) or general affairs. So far as the Issuer is aware, there are no such litigation, arbitration or administrative proceedings pending or threatened.

No significant change

Except as disclosed in these listing particulars, there has been no material adverse change in any of the Issuer's or the Group's financial and trading position and prospects since December 31, 2022, the date of our most recent audited consolidated financial statements.

Clearing information

The Notes have been, or will be, accepted for clearance through the facilities of Euroclear and Clearstream. Certain trading information with respect to the Notes is set forth below.

Notes	ISIN	Common code
Rule 144A Global Note	XS2756270117	275627011
Regulation S Global Note.....	XS2756269960	275626996

Legal information

Issuer
The Issuer was incorporated on November 16, 2017 as a *société par actions simplifiée* under the laws of France. The Issuer is registered in France under sole identification number 833 372 774 R.C.S. Lyon. The Issuer's registered office is 30 bis, rue Sainte-Hélène, 69002 Lyon, France.

Guarantors

- Kiloutou S.A.S. is a *société par actions simplifiée* organized under the laws of France under number 317 686 061 R.C.S. Lille, with its registered office at 1, rue des Précurseurs, 59664 Villeneuve-d'Ascq, France. Kiloutou S.A.S. was incorporated on April 2, 1980.

- Kiloutou Module S.A.S. is a *société par actions simplifiée* organized under the laws of France under number 453 700 106 R.C.S. Lille, with its registered office at 1, rue des Précurseurs, 59664 Villeneuve-d'Ascq, France. Kiloutou Module S.A.S. was incorporated on November 9, 2017.

- Kiloutou Danmark ApS, a private limited liability company organized under the laws of Denmark under CVR number 43155598, with its registered address at C/O GSV Materieludlejning A/S Baldersbuen 5, Baldersbrønde, 2640 Hedehusene, Denmark was incorporated on March 25, 2022.

Responsibility statement

The Issuer accepts responsibility for the information contained in these listing particulars. The Issuer declares that, having taken all reasonable care to ensure that such is the case, the information contained in these listing particulars is, to the best of its knowledge, in accordance with the facts and does not omit anything likely to affect the import of these listing particulars.

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KPMG S.A.
36 rue Eugène Jacquet
CS 75039
59705 Marcq-en-Baroeul
France

PRICEWATERHOUSECOOPERS AUDIT
63 rue de Villiers
92200 Neuilly-sur-Seine
France

Kapla Holding SAS

Statutory Auditors' review report on the interim condensed consolidated financial statements

Period from January 1st, 2023 to September 30th, 2023

Kapla Holding

30 bis rue Sainte-Hélène - 69002 Lyon

Kapla Holding SAS

30 bis rue Sainte Hélène - 69002 Lyon

Statutory Auditors' review report on the interim condensed consolidated financial statements Period from January 1st, 2023 to September 30th, 2023

To the Chairman,

In our capacity as Statutory Auditors of Kapla Holding and in accordance with your request, we have reviewed the accompanying interim condensed consolidated financial statements of Kapla Holding for the period from January 1st, 2023 to September 30th, 2023 as they are attached to this report (the "Interim Condensed Consolidated Financial Statements").

These Interim Condensed Consolidated Financial Statements were prepared under the responsibility of the Chairman. Our role is to express a conclusion on these financial statements based on our review.

We conducted our review in accordance with professional standards applicable in France and the professional guidance issued by the French Institute of statutory auditors (*Compagnie Nationale des Commissaires aux Comptes*) relating to this 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 Interim Condensed Consolidated Financial Statements have not been prepared, in all material respects, in accordance with IAS 34 – the standard of IFRS as adopted by the European Union applicable to interim financial information.

This report is governed by and construed in accordance with French law and professional standards applicable in France. The Courts of France shall have exclusive jurisdiction in relation to any claim, difference or dispute which may arise out of or in connection with our engagement letter or this report..

Marcq-en-Baroeul and Neuilly-sur-Seine, on January 18th, 2024

KPMG S.A.	**PricewaterhouseCoopers Audit**
Bertrand Boulangé	**Alexandre Decrand**
Partner	*Partner*

KAPLA HOLDING
INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS Q3 IFRS 2023

Period from January 1st, 2023 to September 30th, 2023

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Consolidated Statement of Financial Position

ASSETS	Sep. 30, 2023	Dec. 31, 2022
In € millions		
Goodwill	957,0	946,4
Intangible assets	534,9	546,5
Property, plant and equipment	1 086,9	1 065,6
Non-current financial assets	53,4	58,9
Deferred tax assets	0,3	1,4
Other non-current receivables	0,0	0,0
TOTAL NON-CURRENT ASSETS	**2 632,5**	**2 618,8**
Inventories and work in progress	38,9	33,8
Trade and other receivables	304,4	281,4
Current financial assets	14,3	7,7
Current tax assets	3,3	5,3
Cash and cash equivalents	71,1	78,3
Assets held for sale	0,0	0,0
TOTAL CURRENT ASSETS	**432,0**	**406,5**
TOTAL ASSETS	**3 064,6**	**3 025,3**

EQUITY AND LIABILITIES	Sep. 30, 2023	Dec. 31, 2022
In € millions		
Share capital	5,1	5,1
Share premium	484,9	484,9
Reserves	(11,7)	(40,1)
Profit/(loss) for the period	(3,8)	23,8
Translation reserve	(1,9)	(1,4)
Equity attributable to owners of the parent	**472,7**	**472,4**
Non-controlling interests	0,0	0,0
TOTAL EQUITY	**472,7**	**472,4**
Long-term debt	1 414,7	1 386,3
Non-current lease liabilities	404,1	395,8
Long-term provisions for employee benefit obligations	4,8	4,6
Other long-term provisions	11,8	11,5
Non-current financial instruments	23,3	25,9
Deferred tax liabilities	161,0	168,7
Other non-current payables	0,0	0,0
TOTAL NON-CURRENT LIABILITIES	**2 019,7**	**1 992,7**
Short-term provisions for employee benefit obligations	0,0	0,0
Other short-term provisions	0,0	0,0
Short-term debt	106,0	90,0
Current lease liabilities	163,4	179,4
Current tax liabilities	12,5	4,1
Trade and other payables	290,3	286,7
Liabilities directly associated with assets held for sale	0,0	0,0
TOTAL CURRENT LIABILITIES	**572,2**	**560,2**
TOTAL EQUITY AND LIABILITIES	**3 064,6**	**3 025,3**

Consolidated Income Statement

In € millions	Sep. 30, 2023	Sep. 30, 2022
Revenue from rentals and services	895,7	730,2
Other operating income	32,6	20,6
Total operating income	**928,3**	**750,8**
Equipment and logistics costs	(233,6)	(196,4)
Payroll costs	(261,1)	(215,9)
Head office overheads and network expenses	(91,7)	(73,5)
Depreciation, amortization and impairment	(248,2)	(201,6)
Other recurring income and expenses	(5,6)	(1,6)
Recurring operating profit	**88,1**	**61,9**
Non-recurring operating income and expenses	(3,2)	(3,7)
Operating profit	**84,9**	**58,1**
Cost of net debt	(83,4)	(57,7)
Financial expenses	(0,3)	0,0
Financial income	3,6	40,7
Net financial expense	**(80,1)**	**(17,0)**
Profit/(loss) before income tax	**4,8**	**41,2**
Income tax expense	(8,7)	(13,8)
Profit/(loss) from continuing operations	**(3,8)**	**27,4**
Profit from discontinued operations, net of tax		
Profit/(loss) for the period	**(3,8)**	**27,4**
Attributable to:		
Owners of the parent	(3,8)	27,4
Non-controlling interests	0,0	0,0
EBITDA	**337,5**	**264,9**

Consolidated statement of comprehensive income

In € millions	Sep. 30, 2023	Sep. 30, 2022
Profit/(loss) for the period	**(3,8)**	**27,4**
Currency translation differences	(0,2)	(1,3)
Items that may be reclassified to profit or loss	**(0,2)**	**0,0**
Remeasurements of defined benefit post-employment benefit obligations	0,0	0,0
Income tax effect		
Items that will not be reclassified to profit or loss	**0,0**	0,0
Other comprehensive income	0,0	0,0
Total comprehensive income/(expense)	**(4,0)**	**26,1**
Attributable to:		
Owners of the parent	(4,0)	26,1
Non-controlling interests	0,0	0,0

Consolidated statement of changes in stockholders' equity

In € millions	Share capital	Share premium	Consolidated reserves	Reserves - Other comprehensive income	Equity attributable to owners of the parent	Non-controlling interests	Total equity
Balance at Jan. 1, 2022	**5,1**	**484,9**	**(41,7)**	**(0,2)**	**448,1**	0,0	**448,1**
Profit/(loss) for the period	**0,0**	**0,0**	**23,9**	**0,0**	**23,9**	**0,0**	**23,9**
Currency translation differences	0,0	0,0	(0,6)	0,2	(0,4)	0,0	(0,4)
Fair value remeasurement of hedging instruments	0,0	0,0	0,0	0,0	0,0	0,0	0,0
Actuarial gains/(losses) related to defined benefit plans	0,0	0,0	0,0	(0,0)	(0,0)	0,0	(0,0)
Income tax relating to other comprehensive income	0,0	0,0	0,0	0,0	0,0	0,0	0,0
Other comprehensive income/(expense)	**0,0**	**0,0**	**(0,6)**	**0,2**	**(0,4)**	**0,0**	**(0,4)**
Total comprehensive income/(expense)	**0,0**	**0,0**	**23,3**	**0,2**	**23,5**	**0,0**	**23,5**
Share-based payments	0,0	0,0	0,9	0,0	0,9	0,0	0,9
Employee share issue	0,0	(0,0)	0,0	0,0	0,0	0,0	0,0
Own shares	0,0	0,0	(0,8)	(0,0)	(0,8)	(0,0)	(0,8)
Other	0,0	0,0	0,6	0,0	0,6	0,0	0,6
Transactions with owners	**0,0**	**(0,0)**	**0,7**	**(0,0)**	**0,7**	**(0,0)**	**0,7**
Balance at Dec. 31, 2022	**5,1**	**484,9**	**(17,7)**	**0,0**	**472,4**	**0,0**	**472,4**
Profit for the period	**0,0**	**0,0**	**(3,8)**	**0,0**	**(3,8)**	**0,0**	**(3,8)**
Currency translation differences	0,0	0,0	0,0	(0,2)	(0,2)	0,0	(0,2)
Fair value remeasurement of hedging instruments	0,0	0,0	0,0	0,0	0,0	0,0	0,0
Actuarial gains/(losses) related to defined benefit plans	0,0	0,0	0,0	0,0	0,0	0,0	0,0
Income tax related to other comprehensive income	0,0	0,0	0,0	0,0	0,0	0,0	0,0
Other comprehensive income	**0,0**	**0,0**	**0,0**	**(0,2)**	**(0,2)**	**0,0**	**(0,2)**
Total comprehensive income	**0,0**	**0,0**	**(3,8)**	**(0,2)**	**(4,0)**	**0,0**	**(4,0)**
Share-based payments	0,0	0,0	0,7	0,0	0,7	0,0	0,7
Employee share issue	0,0	(0,0)	0,0	0,0	(0,0)	0,0	(0,0)
Own shares	0,0	0,0	(0,4)	0,0	(0,4)	0,0	(0,4)
Other	0,0	0,0	4,1	0,0	4,1	0,0	4,1
Transactions with owners	**0,0**	**(0,0)**	**4,3**	**0,0**	**4,3**	**0,0**	**4,3**
Balance at Sep. 30, 2023	**5,1**	**484,9**	**(17,2)**	**(0,2)**	**472,7**	**0,0**	**472,7**

Consolidated Statement of Cash-Flow

In € millions	Sep. 30, 2023	Sep. 30, 2022
Profit/(loss) for the period	**(3,8)**	**27,4**
Net dividends received from equity-accounted investees	0,0	0,0
Depreciation, amortization and provisions, net of reversals	249,2	202,0
Other expenses/(income) with no cash impact	3,5	0,9
Cost of net debt	80,1	17,0
Income tax expense (current and deferred)	8,7	13,8
Cash flows from operations	**337,5**	**261,1**
Income tax paid	(6,0)	(7,8)
Interests paid	(58,3)	(33,3)
Carrying amount of sold assets	7,6	2,2
Change in working capital	(20,3)	(0,0)
Other expenses/(income) with a cash impact	(3,5)	2,1
Net cash inflow from operating activities	**257,0**	**224,4**
Payments for property, plant and equipment and intangible assets	(257,0)	(243,8)
Investment grants received	0,0	0,0
Proceeds from sales of property, plant and equipment and intangible assets	1,4	0,0
Movements in non-current financial assets	(12,2)	0,0
Payments for acquisitions of subsidiaries, net of cash acquired	(4,7)	(191,9)
Payments for investments in associates and/or joint-ventures transferred	0,0	0,0
Net cash (outflow) from investing activities	**(272,5)**	**(435,7)**
Capital increase	0,0	0,0
Sale (purchase) of own shares	0,0	0,0
Proceeds from new long-term borrowings	349,3	284,4
Fees and premiums related to debt issues	0,0	0,0
Repayments of long-term borrowings and lease liabilities	(340,9)	(153,9)
Net cash inflow/(outflow) from financing activities	**8,4**	**130,5**
Effect of exchange rate changes on cash and cash equivalents	0,1	(0,5)
Net increase/(decrease) in cash and cash equivalents	**(7,0)**	**(81,3)**
Cash and cash equivalents at the beginning of the year	**78,2**	**114,3**
Cash and cash equivalents at end of year	**71,1**	**32,9**

Notes to the interim consolidated financial statements summarized

Note 1 General information, significant events of the period and events after the reporting period

Note 2 Scope of consolidation

Note 3 Significant accounting policies

Note 4 Operating data

Note 5 Segment information

Note 6 Payroll costs and employee benefits

Note 7 Goodwill, intangible assets and property, plant and equipment

Note 8 Equity and earnings per share

Note 9 Provisions and contingent liabilities

Note 10 Financing and financial instruments

Note 11 Income taxes

Note 12 Other items in the statement of financial position

Note 1 General information, significant events of the period and events after the reporting period

1.1. General information

Kiloutou is a major equipment rental player in France in both the business-to-business (B-to-B) and business-to-consumer (B-to-C) sectors. Its B-to-B customer base includes large national corporations, construction and civil engineering companies, independent tradespeople, local authorities and other government agencies, industrial and services companies and SMEs.

The company offers a very wide range of some 1,000 product references, including machinery for working at height and structural and finishing works, utility vehicles, heating and air conditioning equipment, audiovisual and events equipment and machinery and tools for landscaping and gardening.

The Kiloutou group is Europe's third-largest player in the equipment rentals market. For over 45 years, it has combined economic performance with environmental and human values by proposing the most innovative solutions for an increasingly diversified customer base that includes construction and civil engineering companies, independent tradespeople, SMEs, local authorities and industry.

Kiloutou's rental activities (detailed in Note 4.1) mainly include:

General rentals – for more than 35 years, Kiloutou has rented machinery and equipment to B-to-B customers for all types of works. Its experience and expertise have enabled it to develop the most comprehensive range of machinery and equipment in the market and offer the best services and advice to companies and businesses of all sizes.

Specialty rentals:

Energy – Kiloutou Energie – which was created following the acquisition of La Compagnie Atlantique de Location (CAL) – has been a key player in rentals of power generators and pumps in south-west France for more than 45 years. Kiloutou Energie's diesel and electromechanical engineers provide tailored temporary power and pumping solutions, with the company's range of machinery covering pumps for clear water and water from building sites, as well as groundwater drawdown, sludge and sewage pumps and generators. Each piece of equipment complies with the applicable noise and pollution standards and the company's tank farm meets the requisite environmental standards.

Rental of modular buildings – A perfect fit with its general equipment rental business, the rental of modular buildings allows Kiloutou to meet the needs of its customers in the construction, civil engineering, events, industry and service sectors, as well as local authorities.

The Group has operations in seven countries and employs nearly 6,420 people.

Kiloutou's network comprises some 595 branches in Europe:
459 branches in France
33 branches in Poland
23 branches in Spain
19 branches in Germany
24 branches in Italy
19 branches in Denmark
18 branches in Portugal

Kapla Holding SAS – which is Kiloutou's parent company – is not required to prepare consolidated financial statements, as its own parent, Dentressangle SAS, prepares and issues consolidated financial statements, but it has elected not to use this exemption. These consolidated financial

statements cover the activities of the sub-group controlled by Kapla Holding SAS (referred to as the “Kapla Group”, or “the Group”).
Kapla Holding acquired control of the Kiloutou Group on February 15, 2018. On that date, the Dentressangle Group acquired control of the Kiloutou Group via Kapla Holding SAS, which itself became the owner of all of the shares of Kiloutou SAS.

Kapla Holding, the parent of the entities included in the scope of consolidation, is a company incorporated under French law, whose registered office is located at 30 bis rue Saint Hélène, 69002 Lyon, France.

1.2. Events of the period

Highlights of the period:

1.2.1 Merger of Elevo with Kiloutou Italy

In Italy, Elevo merged with Kiloutou Italy (ex Cofiloc) on January 1st, 2023. This transaction was carried out between companies 100% owned by the group and will not affect the group's financial statements.

1.2.2 High Yield Bond

On 1 February 2023, Kapla Holding, has issued in an aggregate principal amount of €200,000,000 of Senior Secured Floating Rate Notes due 2027. Interest on the notes accrues at a rate equal to three-month EURIBOR (subject to a 0% floor) plus 5.5% per annum, reset quarterly.

This bond issue was made to refinance the bridge facility agreement dated 7 April 2022, to finance the acquisition of GSV Holding A/S and CC Tool Invest ApS, subject to the terms of which a EUR 150,000,000 bridge facility was made available to Kapla Holding. Interest on the Bridge Facility accrued at a rate of three-month EURIBOR plus a margin of 4.25% increased by 0.50% each 3-month period and capped to 5.75% and 6% after June 2022.

1.2.3 Acquisition of Bernard Location SAS

On March 31st 2023, Kiloutou SAS acquired Bernard Location SAS, a company with one branch in Oyonnax (France). Bernard Location SAS comprised 10 employees and made in 2022 a turnover around 2.5 million euros. The completion of this acquisition will enable the Group to take a leader place in an economic area where it is no longer present, develop its business and increase its market share.

Kiloutou SAS acquired 100% of the shares of Bernard Location SAS and the business assets were put in a lease management to the advantage of Kiloutou SAS, in order to create synergies and a quick integration within the Alpes area.

1.2.4 Acquisition of Uka Hauke Arbeitsbünhen

On July 31 2023, Kiloutou SAS acquired Uka+Hauke Arbeitsbünhen, an Access specialist operating 4 branches in Saxony and Thuringia (Germany).

1.2.5 Conflict in Ukraine

In addition, the conflict in Ukraine constitutes a major event for the general economy that has no direct impact on our activity. The Group is all the more attentive to the potential consequences of political tensions on its 2023 business, in particular on the impact of the crisis on inflation rates in Europe.

1.3. Events after the reporting period

No significant event occurred after the reporting period

Note 2 Scope of consolidation

The consolidated financial statements of the Kapla Group include the accounts of the parent company Kapla Holding and those of its subsidiaries for the period ended September 30, 2023.

Changes in the scope of consolidation are presented in Note *1.2, Significant events of the period*.

Company	Country	Number of shares held	% control	Consolidation method	Registered office	SIREN business registration no.
KAPLA HOLDING	**France**	**509 808 254**	**100,00%**	**Parent**	**30 bis rue Saint-Hélène, 69002 Lyon**	**833 372 774**
KILOUTOU	France	4 176 622	100,00%	FC	1 rue des Précurseurs - 59664 Villeneuve d'Ascq	317 686 061
KILOUTOU IMMOBILIER	France	2 530	100,00%	FC	1 rue des Précurseurs - 59664 Villeneuve d'Ascq	381 959 394
DARDILOC	France	1 000	100,00%	FC	1 rue des Précurseurs - 59664 Villeneuve d'Ascq	827 487 703
BERNARD LOCATION	France	5 000	100,00%	FC	1 rue des Précurseurs - 59664 Villeneuve d'Ascq	317 686 061
KILOUTOU MODULE	France	22 729	100,00%	FC	1 rue des Précurseurs - 59664 Villeneuve d'Ascq	453 700 106
JAMART LOCATION MODULAIRE	France	5 356	100,00%	FC	13, rue de Nesle 80200 Estrées-Deniécourt	433 937 646
LOCA RECEPTION	France	1 000	100,00%	FC	1 rue des Précurseurs - 59664 Villeneuve d'Ascq	493 440 416
KILOUTOU ENERGIE	France	11 174	100,00%	FC	20 bis René Bars - 40250 Mugron	301 351 029
KILOUTOU SIGNALISATION	France	50 000	100,00%	FC	1 rue des Précurseurs - 59664 Villeneuve d'Ascq	852 918 226
KILOUTOU POLSKA	Poland	269 600	100,00%	FC	ul. Rokicińska 142, 92-412 Łódź	410479
KILOUTOU ESPAÑA	Spain	30 000	100,00%	FC	Carrer Pla de Matabous 3408110 Montcada i Reixac, Barcelona	A60383379
KILOUTOU GMBH	Germany	25 000	100,00%	FC	Am Knick 11, 22113 Oststeinbek	HRB 15774 HL
KILOUTOU DEUTSCHLAND	Germany	1	100,00%	FC	Am Knick 11, 22113 Oststeinbek	HRB 3496 RE
UKA + HAUKE GMBH	Germany	1	100,00%	FC	Am Knick 11, 22113 Oststeinbek	HRB 515335
KILOUTOU HOLDING	Italy	696 000	100,00%	FC	Via Postumia Ovest 101, 31048 San Biagio di Callalta (TV)	9975240962
KILOUTOU ITALIA	Italy	500 000	100,00%	FC	Via Postumia Ovest 101, 31048 San Biagio di Callalta (TV)	1152330260
STICAR	Italy	58 200	100,00%	FC	Corso Stati Uniti 10, 35127 Padova (PD)	642470280
AEROTECNICA	Italy	5 000	100,00%	FC	Via del Colle N 66 Calenzano FI 50041 Italie	1039850480
KILOUTOU DENMARK APS	Danmark	40 000	100,00%	FC	c/o bird&bird sundkrogsgade 21 2100 Kobenham	43 155 598
G.S.V. MATERIELLUDJENING APS	Danmark	30 658	100,00%	FC	Baldersbuen 5 - DK2640 Hedehsuene	51 427 528
KILOUTOU PORTUGAL	Portugal	5 000	100,00%	FC	Rue, Ivens 42, 1st floor, 1200-227 Lisbon	517161893
GRUPO VENDAP	Portugal	50 000	100,00%	FC	Estrada Nacional, 118 KM 22, Fil Figueiras	508669685
CRUCIAL MERIDIAN ALIGATUDO	Portugal	25 000	100,00%	FC	Estrada Nacional, 118 KM 22, Fil Figueiras	296616531

Note 3 General accounting principles and consolidation method

3.1. Compliance statement

This filing presents the condensed interim consolidated financial statements from January 1, 2023 to September 30, 2023 for the entity Kapla Holding and its subsidiaries (collectively referred to as "the Group").

These condensed interim consolidated financial statements have been prepared by the Group on a voluntary and non-mandatory basis, and in accordance with the IFRS framework published by the *International Accounting Standards Board ("IASB")* and as adopted by the European Union.

The consolidated financial statements were approved for issue by the Board of Directors and the Chairman on January 17, 2024.

They have been prepared in accordance with IAS 34 "Interim Financial Reporting" and should be read in conjunction with the Group's latest annual consolidated financial statements for the year 2022 ("the latest annual financial statements"). They do not include all the mandatory information in a complete financial report in accordance with IFRS.

However, they include a selection of notes explaining significant events and major transactions to understand the evolution of the statement of financial position and the performance of the Group since the last annual financial statements.

3.2. Basis of preparation

3.2.1 Summary of significant accounting policies

The condensed interim consolidated financial statements are presented in millions of euros (rounded to the nearest million), which is the Group's presentation currency and the parent company's functional currency. They have been prepared on a historical cost basis, except for the following which have been measured at fair value: derivative financial instruments, available-for-sale financial instruments and financial instruments measured at fair value through other comprehensive income.

The accounting policies set out below have been applied consistently to all periods presented in the consolidated financial statements and by all Group entities.

In preparing the condensed consolidated financial statements, the Group did not early adopt any issued amendments, new standards or interpretations that have been adopted by the European Union but which are not mandatory for the period ended September 30, 2023. The Group does not expect these new standards, amendments or interpretations to have a material impact on its consolidated financial statements in future reporting periods. The new standards, amendments and interpretations whose application is mandatory as from January 1, 2023 are as follows:

IFRS 17 – Insurance contracts

Amendments to IAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors

Amendments to IAS 1 – Presentation of financial statements

Amendment to IAS 12 – deferred tax related to assets and liabilities arising from a single transaction

The Group did not notice any significant impact from the application of these amendments on its consolidated financial statement.

3.2.2 Use of Estimates

The preparation of consolidated financial statements requires Management to use judgment and to use estimates and assumptions that can affect the reported amounts of certain assets, liabilities, income and expenses, as well as the information disclosed in the accompanying notes.
In preparing the consolidated financial statements, the significant judgments made by Management in applying the Group's accounting policies and the key estimates used relate in particular to the following:

- Measurement of the recoverable amount of goodwill, property, plant and equipment and intangible assets.
- Measurement of trademarks and customer relationships.
- The terms of lease contracts that fall within the scope of IFRS 16.
- Measurement of financial instruments.
- The amount of deferred tax assets that can be recognized in the statement of financial position.

Due to the existing market tensions on equipment sourcing and in accordance with IFRS 16.20, the Group reassessed the lease period of certain equipment rental contracts. This led to an increase of the financial debt as of September 2023 of € 10m. In the absence of such reassessment, some of these lease contracts would have been accounted for as short term leases. This adjustment has positively impacted the group's EBITDA for about €5.0 m€.

3.2.3 Scope of consolidation

Full consolidation

All of the companies included in the Group's scope of consolidation are fully consolidated. They apply consistent accounting policies (known as "group accounting policies") for recording and presenting similar transactions and events.

A list of the Group's consolidated companies is provided in *Note 2, Scope of consolidation*.

The Company controls an entity when it has:

- Power over the entity.
- Exposure, or has rights, to variable returns from its involvement with the entity.
- The ability to use its power over the entity to affect the amount of its returns.

All intra-group transactions and balances are eliminated in consolidation.

3.2.4 Business combinations and asset acquisitions

Business combinations

Business combinations are accounted for using the acquisition method:

- The acquisition price is measured at the acquisition-date fair value of the consideration transferred, including any contingent consideration. Any post-acquisition changes in the

estimated fair value of contingent consideration that occur after the acquisition price measurement period are recognized in profit or in equity, depending on the applicable standards.

- Any excess of the consideration transferred over the acquisition-date fair value of the identifiable assets acquired and liabilities assumed represents goodwill, which is recorded as an asset in the statement of financial position.

Any fair value adjustments to the net identifiable assets acquired in a business combination that were originally measured on a provisional basis (due to ongoing valuations or additional analyses) are recognized as retrospective adjustments to goodwill if they are recorded within one year of the acquisition date and if they result from facts and circumstances that existed at the acquisition date. Beyond this one-year measurement period, the impacts of any such fair value adjustments and any changes in estimates are recognized directly in profit or loss.

Intangible assets may be recognized for customer relationships that correspond in substance to contracts in progress at the acquisition date and/or relationships with regular customers of the acquired entity (opportunity to enter into new contracts). These intangible assets are measured based on the "excess earnings" method, which considers that the value of the intangible asset recognized corresponds to the present value of the net cash flows expected to be generated by the customer relationship, after deducting the proportion of cash flows attributable to other assets that are required to generate those cash flows (contributory assets). Intangible assets may also be recognized for technologies (patented or not) and trademarks. These are valued either based on the "relief-from-royalty" method or the "replacement cost" method.

If the Group acquires an interest in an entity representing less than 100%, the portion of the entity not acquired (the non-controlling interest) is measured at either: full fair value, in which case the goodwill recognized includes the goodwill on the non-controlling interest as well as on the acquired controlling interest (the full goodwill method); or the fair value of its proportion of the net identifiable assets acquired (the partial goodwill method).

Costs directly attributable to major acquisitions are recorded under “Non-recurring operating income and expenses” in the period in which they are incurred.

Contingent consideration on a business combination is measured at fair value at the acquisition date even if it is not considered probable that the consideration will be paid. Any post-acquisition changes in the estimated fair value of contingent consideration may only give rise to an adjustment to goodwill if they occur during the measurement period (i.e. within one year of the acquisition date) and if they are the result of additional information acquired after the acquisition date about facts and circumstances that existed at that date. In all other cases, any changes in the estimated fair value of contingent consideration are recognized in profit or equity in accordance with the relevant IFRS.

If a business combination is achieved in stages, the acquisition-date carrying amount of the Group’s previously held equity interest in the acquiree is remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognized in profit or loss (if the previously held interest is measured at fair value through profit or loss). For the purpose of determining goodwill at the acquisition date, the fair value of the consideration transferred (e.g. the price paid) is increased by the fair value of the Group’s previously held equity interest in the acquiree. Any amounts previously recognized in other comprehensive income related to the Group’s previously held interest in the acquiree are recycled to profit or loss.

Asset acquisitions

Acquisitions of groups of assets that do not fall within the scope of IFRS 3, as defined in the 2020 amendment to IFRS 3, are accounted for at cost (including acquisition-related expenses). The cost of

the group of assets is allocated to the individual identifiable assets and liabilities based on their relative fair values at the acquisition date.

3.2.5. Foreign currency transactions

The functional currency of the Group's foreign companies is their local currency.

Consequently, the financial statements of foreign companies that are denominated in currencies other than the euro are translated into euros as follows:

- Assets and liabilities are translated at the exchange rates prevailing at the reporting date.
- Income and expenses are translated at the average rate for the period, provided it is not affected by significant fluctuations in exchange rates.

Currency translation differences related to (i) opening equity or movements in equity during the period (capital increases, acquisitions, etc.), or (ii) income statement items, are recognized in other comprehensive income and broken down between the portion attributable to owners of the parent and the portion attributable to non-controlling interests. The impact of these currency translation differences is shown in a separate line in the consolidated statement of changes in equity.

Foreign currency transactions are translated into the respective functional currencies of the Group's entities using the exchange rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated into the functional currency at the exchange rates prevailing at that date. The resulting currency translation differences are recognized in profit or loss.

3.2.6. Presentation of financial information

The amounts disclosed in the consolidated financial statements have been rounded to the nearest million euros and include individually rounded data. Consequently, totals and sub-totals may not correspond exactly to the sum of the reported amounts.

3.2.7. Statement of financial position and statement of cash flows

Assets and liabilities are classified as current when they form part of the normal operating cycle. Other assets and liabilities are classified as either current or non-current depending on whether or not they are expected to be recovered or settled within 12 months of the reporting date.

The Group's statement of cash flows has been prepared in accordance with IAS 7, using the indirect method based on consolidated profit for the period, and is broken down into three categories:

- Cash flows from operating activities (including taxes).
- Cash flows from investing activities (notably purchases and sales of subsidiaries and associates, property, plant and equipment and intangible assets).
- Cash flows from financing activities (particularly proceeds from new borrowings and repayment of existing borrowings, purchases of own shares, and dividends paid).

3.3. Off-balance-sheet commitments related to the scope of consolidation

Off-balance sheet commitments correspond to commitments given or received by entities in the Group's scope of consolidation that are not recognized in the statement of financial position.

Note 4 Operating data

4.1. Revenue

Revenue includes rental revenue and revenue from service activities (sales of consumables and fuel, cleaning and repair, transport & delivery...).

Group sales rose by 22.7% to 895.7 million euros in the first nine months of 2023, from 730.2 million euros in the first nine months of 2022.

Our revenue growth has been mainly fueled by the acquisitions (mainly Grupo Vendap) and our organic growth (7.1% on a constant perimeter basis). Our organic growth is driven by the positive impact of our growth Capex as well as the price increases that we achieved to tackle inflation.

4.2. Other income

Other income mainly includes the sales of used equipment.

Those sales benefited from higher volumes, while average prices slightly decreased driven by mixed effects on equipment types.

4.3. Equipment & services costs

These costs mainly include costs of services (purchases of consumables and fuel, transport…) and maintenance costs of the fleet.

4.4. Personnel expenses

Personnel expenses mainly include salaries, bonuses and social contributions (see Note 6.2).

4.5. Head office overheads and network expenses

Head office overheads and network expenses mainly include IT and technical costs, costs related to supplies and telephone equipment, postage, marketing and communication expenses, travel costs and statutory auditors' and consultants' fees. The Group does not incur any research and development costs.

4.6. Depreciation, amortization and impairment

In € millions	Sep. 30, 2023	% of Revenue	Sep. 30, 2022	% of Revenue
Amortization of intangible assets	(15,5)	-1,7%	(57,0)	-7,8%
Depreciation of property, plant and equipment*	(232,6)	-26,0%	(145,0)	-19,9%
Other	(0,1)	0,0%	0,0	0,0%
TOTAL DEPRECIATION, AMORTIZATION AND IMPAIRMENT	**(248,2)**	**-27,7%**	**(202,0)**	**-27,7%**

4.7. Other recurring income and expenses

Other recurring income and expenses mainly include administrative costs, provisions and losses arising on doubtful receivables.

4.8. Non-recurring operating income and expenses

In € millions	Sep. 30, 2023	Sep. 30, 2022
Fees on Gsv acquisition		(3,3)
One-off write-offs (IT projects and other)	(2,5)	
Other projects	(0,7)	(0,4)
NON-RECURRING OPERATING INCOME	**(3,2)**	**(3,7)**

4.9. Net financial income and expenses

The financial result is presented in the *Note 10.2 Financial result.*

Note 5 Segment information

The information reported to the Executive Committee – the chief operating decision maker – for the purpose of allocating resources to operating segments and assessing their performance is broken down by geographical area and by the nature of each business and the rented assets. The Group's geographical areas correspond to France, which is its home market, and International, and the categories of businesses and rented assets are general rentals and specialty rentals. The Group's reportable segments as identified in accordance with IFRS 8 are:

- **France – General rentals**: this segment corresponds to providing customers with a fleet of equipment covering all public works and civil engineering needs, a range of elevation equipment, and equipment that meets safety standards in the fields of industry and maintenance.

- **France – Specialty rentals**: corresponding to a rental offer of modular buildings and temporary energy and pumping solutions.

- **International**: Mainly comprises General rental operations similar to those conducted in France.

We have not identified any single customer whose transactions represent 10% or more of the Group's revenue.

5.1. Key indicators by sector

The key indicators by segment as presented in the tables below are as follows:

- **Revenue**: revenue recognized by the Group for each type of income stream
- **EBITDA**: profit for the period before depreciation, amortization and impairment, net financial income/(expense), income tax, and non-recurring operating income and expenses, excluding the effects of stock options and provisions for post-employment benefit obligations
- **Segment assets**: property, plant and equipment and intangible assets (including goodwill) net of depreciation, amortization and impairment

5.1.1. Revenue by segment

In € millions	Sep. 30, 2023	% of total	Sep. 30, 2022	% of total
France – General rentals&services	500,4	56%	467,8	64%
France – Specialty rentals&services	64,8	7%	49,4	7%
Total – France	**565,3**	**63%**	**517,2**	**71%**
International	330,4	37%	213,0	29%
Total revenue	**895,7**	**100%**	**730,2**	**100%**
Other income	32,6	100%	20,6	100%
OPERATING REVENUE	**928,3**	**100%**	**750,8**	**100%**

5.1.2. EBITDA by segment

In € millions	Sep. 30, 2023	% of Revenue	Sep. 30, 2022	% of Revenue
France – General rentals&services	197,5	22%	172,8	24%
France – Specialty rentals&services	22,0	2%	17,4	2%
Total – France	**219,5**	**25%**	**190,2**	**26%**
International	119,1	13%	76,2	10%
Costs from Holding	(1,2)	0%	(1,5)	0%
TOTAL EBITDA	**337,5**	**38%**	**264,9**	**36%**

5.1.3. Assets by segment

In € millions	Sep. 30, 2023	% of Revenue	Sep. 30, 2022	% of Revenue
France – General rentals&services	197,5	22%	172,8	24%
France – Specialty rentals&services	22,0	2%	17,4	2%
Total – France	**219,5**	**25%**	**190,2**	**26%**
International	119,1	13%	76,2	10%
Costs from Holding	(1,2)	0%	(1,5)	0%
TOTAL EBITDA	**337,5**	**38%**	**264,9**	**36%**

5.2. Reconciliation with group data

Consolidated EBITDA can be reconciled with recurring operating profit as follows:

In € millions	Sep. 30, 2023	% of revenue	Sep. 30, 2022	% of revenue
Recurring operating profit	**88.1**	**10%**	**61.9**	**8%**
Depreciation, amortization and impairment	248.2	28%	201.6	28%
Additions to provisions for post-employment benefit obligations	1.1	0%	0.4	0%
Share-based payments (IFRS 2)*		0%	0.9	0%
EBITDA	**337.5**	**38%**	**264.9**	**36%**

*in 2022, including in EBITDA

Consolidated EBITDA can be reconciled with profit for the period as follows:

In € millions	Sep. 30, 2023	% of revenue	Sep. 30, 2022	% of revenue
EBITDA	**337,5**	**38%**	**264,9**	**36%**
Depreciation, amortization and impairment	(248,2)	-28%	(201,6)	-28%
Additions to provisions for post-employment benefit obligations	(1,1)	0%	(0,4)	0%
Share-based payments (IFRS 2)*		0%	(0,9)	0%
Non-recurring operating income and expenses	(3,2)	0%	(3,7)	-1%
Net financial expense	(80,1)	-9%	(17,2)	-2%
Income tax expense	(8,7)	-1%	(13,8)	-2%
Profit for the period attributable to owners of the parent	**(3,8)**	**0%**	**27,4**	**4%**

*in 2022, including in EBITDA

Note 6 Payroll costs and employee benefits

6.1. Headcount

The Group's headcount – corresponding to the headcount of its consolidated companies – was as follows in September 2023 and 2022:

	Sep. 30, 2023	Sep. 30, 2022
France Generalist	4 089	4 544
France Specialist	336	295
Total - France	**4 425**	**4 839**
International	1 994	1 618
TOTAL NUMBER OF STAFF	**6 419**	**6 457**

6.2. Payroll costs

Payroll costs presented in the income statement break down as follows by nature:

In € millions	Sep. 30, 2023	Sep. 30, 2022
Wages and salaries after payroll taxes	230,9	190,4
Employee profit-sharing	18,8	13,4
Employee benefits and share-based payments*	1,8	1,4
Other**	9,6	10,6
TOTAL PAYROLL COSTS	**261,1**	**215,9**

** Employee benefits and share-based payments include post-employment benefits and stock options. ** "Other" payroll costs include recruitment, severance, and training costs.*

6.3. Employee benefits

In accordance with IAS 19 – Employee Benefits, all entities included in the scope of consolidation identify and record all benefits granted to employees.

Depending on the laws and practices of each of its operating countries, the Group contributes to plans covering pensions, personal risk insurance, healthcare costs and statutory retirement bonuses. The benefits under these plans are based on various factors, such as seniority, salaries and payments made into statutory plans.

For defined contribution plans, the Group pays periodic contributions to external organizations that are responsible for the administrative and financial management of the plans. The contributions are expensed as incurred.

The benefit obligation for defined benefit plans is calculated using the projected unit credit method. The calculations are performed annually by independent actuaries for the largest plans and at regular intervals for other defined benefit plans. The actuarial assumptions used to determine the defined benefit obligation vary depending on the specific characteristics of each company (staff turnover rate, estimated future salary growth) and the economic conditions prevailing in the country where the plan is located (discount rate, inflation).

The expense recognized in the income statement for defined benefit plans comprises the current service cost (recognized in payroll costs), the net interest cost (recognized in other financial income and expenses) and the past service cost for the year. The Group determines the net interest expense on the net defined benefit liability for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability.

The Group's defined benefit plans mainly correspond to statutory retirement bonuses in France and Poland and statutory severance pay (TFR) in Italy.

The TFR liability in Italy has been recognized in accordance with the requirements of Italian law.
The impacts of statutory retirement bonuses in Poland are recognized but are not material.

In September 2023, defined benefit schemes mainly concern end-of-career allowances in France (IFC).

Provisions (non-current and current) for profit sharing amount to 4.8 M€ at September 30th, 2023 (stable vs. 31 December 2022).

6.4. Share-based payments

Certain employees and corporate officers of the Kapla Holding Group benefit from ADP plans.

The Extraordinary General Meeting of Shareholders of Kapla Holding of February 15, 2018, authorized the implementation of an ADP allocation plan for certain employees and managers of the Group. This authorization was given for a period of 6 years.

"ADPR C2"

The partners at the AGM of the February 15, 2018 have authorized the President to implement the ADP allocation plan for the Group's managers and certain employees (the "Plan") ADPR C2"). The acquisition of these performance shares, at the end of a period of acquisition of 1 year is subject to a condition of presence in the Group on the date of acquisition. In addition, following the acquisition period of a duration of 1 year, a retention period of 1 year is provided.
IFRS 2 "Share-based payments" leads the group to recognise an expense for the fair value of ADP granted to employees. This expense is spread over the period of acquisition of the rights. The consideration for this expense depends on the method of settlement of the transaction: in equity if the settlement is an equity instrument, in debt if the settlement is in cash. In the latter case, the debt will be revalued at each closing until the settlement date.

The movements relating to the acquisition of ADP between September 2023 and December 2022 amounted to 0.9 million euros, for which IFRS 2 "Share-Based Payment" applies.

Main assumptions used for the valuation of the plans:

The weighted average fair value of the allocated shares was determined on the date of allocation using

a Monte Carlo simulation model. Fair values at the award date were calculated by restating the amount of dividends discounted during the vesting period of the plan.

Note 7 Goodwill, intangible assets and property, plant and equipment

7.1. Goodwill

Goodwill amounts to 957.0 million euros at September 30, 2023, it amounted to 946.4 at December 31, 2022.

The increase of 10.5 million euros is mainly due to the acquisitions of Bernard Location and Uka Hauke Arbeitsbünhen.

No indication of an impairment loss has been identified, therefore, no test has been performed at the level of Cash Generating Units or groups of Cash Generating Units.

Moreover, in 2022, the tests had also led to no impairment of goodwill.

7.2. Intangible assets

Intangible assets amount to 534.9 million and 546.5 million euros at September 30, 2023 and December 31, 2022 respectively.

Intangible assets are broken down as follows:

In € millions	At Dec. 31, 2022	Gross value					At Sep. 30, 2023
		Change in scope	Acquisition	Disposal	Other movements	Currency effect	
Trademarks	421.1	0.0	0.0	0.0	0.0	(0.2)	420.9
Customer relationships	184.6	0.0	0.0	0.0	0.0	(0.1)	184.6
Concessions, patents & similar rights	33.8	0.0	1.5	0.0	5.9	(0.0)	41.2
Intangible assets in progress	8.9	0.0	2.0	(0.0)	(5.6)	0.0	5.2
Other	0.2	0.2	(0.2)	0.0	(0.1)	(0.0)	0.1
TOTAL INTANGIBLE ASSETS - GV	**648.6**	**0.2**	**3.3**	**(0.0)**	**0.2**	**(0.3)**	**651.9**

Amortization and impairment intangible assets as at September 30, 2023 and December 31, 2022 are analyzed below:

In € millions	At Dec. 31, 2022	Amortization and impairment					At Sep. 30, 2023
		Change in scope	Amortization	Write-back	Other movements	Currency effect	
Trademarks	(0.4)	0.0	0.0	0.0	0.0	(0.0)	(0.4)
Customer relationships	(75.0)	0.0	(12.4)	0.0	0.1	(0.0)	(87.4)
Concessions, patents & similar rights	(26.1)	(0.0)	(3.1)	0.0	(0.0)	0.0	(29.2)
Intangible assets in progress	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other	(0.6)	0.0	(0.0)	0.0	0.6	0.0	(0.0)
TOTAL INTANGIBLE ASSETS - DA	**(102.1)**	**(0.0)**	**(15.5)**	**0.0**	**0.6**	**(0.0)**	**(117.1)**

7.3. Property, plant & equipment

Intangible assets amount to 1088.3 million and 1065.6 million euros at September 30, 2023 and December 31, 2022 respectively.

Tangible assets are broken down as follows:

In € millions	At Dec. 31, 2022	At Dec. 31, 2022 adjusted	Gross value					At Sep. 30, 2023
			Change in scope	Acquisition	Disposal	Other movements*	Currency effect	
Operating lease right of use	562,1	562,1	(2,3)	43,3	(15,8)	62,9	(0,1)	650,1
Land & buildings	227,3	227,3	0,7	4,9	(1,2)	(1,5)	0,0	230,2
Rental equipment	1 929,9	1 981,0	5,4	192,9	(80,8)	12,3	(0,3)	2 110,4
Other property, plant & equipment	172,9	121,8	0,7	12,3	(3,2)	(68,7)	0,1	63,0
TOTAL TANGIBLE ASSETS - GV	**2 892,2**	**2 892,2**	**4,4**	**253,5**	**(101,1)**	**5,1**	**(0,4)**	**3 053,7**

*Columm "December 31, 2022 adjusted" consider reclassification between types of tangible asset following finalization of Gsv' PPA.
Other movements include change of types of tangible asset following proceeds of operating lease on existing assets.

Amortization and impairment of property, plant and equipment as at September 30, 2023 and December 31, 2022 are analyzed below:

In € millions	At Dec. 31, 2022	At Dec. 31, 2022 adjusted	Amortization and impairment					At Sep. 30, 2023
			Change in scope	Amortization	Write-back	Other movements	Currency effect	
Operating lease right of use	(377,2)	(377,2)	1,8	(53,9)	14,4	(19,1)	0,0	(433,9)
Land & buildings	(132,7)	(132,7)	(0,1)	(7,2)	0,1	(0,1)	(0,0)	(140,0)
Rental equipment	(1 212,0)	(1 221,8)	(0,7)	(163,8)	75,3	(14,3)	0,2	(1 325,2)
Other property, plant & equipment	(104,7)	(94,9)	(0,2)	(7,5)	2,3	32,7	(0,0)	(67,6)
TOTAL TANGIBLE ASSETS - DA	**(1 826,6)**	**(1 826,6)**	**0,8**	**(232,4)**	**92,1**	**(0,8)**	**0,2**	**(1 966,8)**

7.4. Leases: IFRS 16

As of September 30, 2023, the distribution of the right of use by asset class is as follows:

In € millions	At Sep. 30, 2023	At Dec. 31, 2022
Real estate, land and buildings	459.2	392.0
Rental equipment	81.5	80.5
Logistic / transportation equipment	92.7	72.3
Other tangible assets	17.5	14.5
TOTAL RIGHT OF USE - GV	**650.8**	**559.4**

As of September 30, 2023, the distribution of the amortization of the right of use by assets class is as follows:

In € millions	At Sep. 30, 2023	At Dec. 31, 2022
Real estate, land and buildings	(318.0)	(277.4)
Rental equipment	(36.8)	(29.2)
Logistic / transportation equipment	(66.4)	(53.7)
Other tangible assets	(12.0)	(9.6)
TOTAL RIGHT OF USE - DA	**(433.2)**	**(369.9)**

7.5. Impairment of non-current assets

As of September 30, 2023, the Group has not identified an impairment indication for intangible and tangible assets and will continue to review the need for an impairment test at the end of each reporting period. The depreciation test will only be carried out if there are such indications.

Note 8 Equity

Share capital and share premium

Kapla Holding's share capital at September 30, 2023 was €5,106,730, divided into 509,808,254 shares with a par value of €0.01 each.

There were no movements in share capital since December 31st, 2022

Note 9 Other provisions and contingent liabilities

9.1. Provisions

Over the period of January 1 to September 30, 2023, the provisions and the flows related to provisions are broken down as follows:

In € millions	At Dec. 31, 2022	Change in scope	Increase	Write-back	Other movements	Currency effect	At Sep. 30, 2023
Long-term provisions for employee benefit obligations	4.6	0.0	0.8	(0.6)	0.0	0.0	4.8
Other long-term provisions	11.5	0.0	0.7	(0.5)	0.0	0.0	11.8
TOTAL PROVISIONS FOR RISKS AND CHARGES	**16.1**	**0.0**	**1.6**	**(1.1)**	**0.0**	**0.0**	**16.5**

9.2. Contingent liabilities

Accounting policies

Group companies may be involved in litigation or disputes arising in the normal course of their operations, including disputes with tax authorities.

No exceptional circumstances or disputes had been identified at September 30, 2023 that could have a material impact on the revenue, earnings, assets or financial position of Kapla Holding and/or its subsidiaries for which the provisions estimated as necessary had not been recognized at the reporting date.

Note 10 Financing and financial instruments

Accounting policies

Financial assets are classified in three categories: assets at fair value through other comprehensive income (OCI), assets at fair value through profit or loss, and assets carried at amortized cost. The classification and measurement of financial assets is determined based on two criteria: the entity's business model for managing the financial asset and the contractual cash flow characteristics of the financial asset. Financial liabilities are classified in the following categories: financial liabilities at fair value through profit or loss, and liabilities carried at amortized cost. Management analyzes and classifies financial assets and liabilities on initial recognition based on their characteristics.

10.1. Debt and lease liabilities

10.1.1 Financial debt

The Group's financial debt breaks down as follows:

At Dec. 31, 2022	Changes with cash impact	Capitalized interest	Changes in scope of consolidation	Exchange rate impact	Other	At Sep. 30, 2023
1 105,9	200,1	21,6	0,0	0,0	44,5	1 372,1
272,3	(174,3)	0,0	12,3	0,0	(68,2)	42,1
8,1	(0,2)	0,0	0,0	0,0	(7,4)	0,5
1 386,3	**25,6**	**21,6**	**12,3**	**0,0**	**(31,1)**	**1 414,7**
3,2	(1,2)	0,0	0,0	0,0	0,5	2,5
84,8	(7,4)	0,0	0,0	0,1	26,0	103,5
1,9	0,0	0,0	0,0	0,0	(1,9)	0,0
0,0	0,0	0,0	0,0	0,0	(0,0)	0,0
0,0	0,1	0,0	(0,1)	0,0	(0,0)	0,0
90,0	**(8,6)**	**0,0**	**(0,1)**	**0,1**	**24,6**	**106,0**

10.1.2. Convertible bonds

Nominal amount (in foreign currency)	Year of issue	Maturity	Initial effective interest rate (%)	As of September 30, 2023 (EUR million)	As of December 31, 2022
EUR 165 000 000	02/2018	10 ans	9.09%	269.2	252.2
TOTAL BONDS AND EMTNS				269.2	252.2

"Kapla Holding" holding company of the Kiloutou Group issued in February 2018 165 million Bonds convertible into ADPR TF ("OC ADPR TF") with a nominal value of €1. The CBs will bear interest from the Issue Date until the date of their conversion or redemption at an annual rate of 9.09% per annum.

10.1.3. Covenants linked to the new high-yield bond financing

The bond financing set up on December 12, 2019 requires the Group to comply with several bank covenants. These covenants are mainly designed to set a framework for any new borrowings or one-off payments outside the scope of the Group's ordinary, recurring activities.
None of these covenants had been breached on September 30, 2023.

10.1.4. Lease liabilities

The Group's lease liabilities break down as follows:

In € millions	At Dec. 31, 2022	Changes with cash impact	Changes in scope of consolidation	Exchange rate impact	Other *	At Sep. 30, 2023
Lease liabilities - Finance leases	257,1	(1,1)	0,0	(0,3)	(23,8)	231,9
Lease liabilities - Residual value	6,1	1,3	0,0	0,0	0,1	7,5
Lease liabilities - Operating leases	132,6	17,4	0,9	(0,0)	13,9	164,8
Non-current lease liabilities	**395,8**	**17,6**	**0,9**	**(0,3)**	**(9,8)**	**404,1**
Lease liabilities (< one year)	179,4	(29,6)	(1,4)	(0,0)	15,0	163,4
Current lease liabilities	**179,4**	**(29,6)**	**(1,4)**	**(0,0)**	**15,0**	**163,4**
TOTAL LEASE LIABILITIES	**575,2**	**(11,9)**	**(0,5)**	**(0,3)**	**5,2**	**567,6**

* Other movements include change of types of tangible asset following proceeds of operating lease on existing assets (see 7.3)

10.2. Financial Income and expenses

In € millions	Sep. 30, 2023	Sep. 30, 2022
Income and expenses related to derivative financial instruments	3,6	40,7
Currency translation differences	0,0	0,0
Cost of discounting employee benefits	(0,0)	0,0
Cost of net debt related to lease liabilities	(10,5)	(8,0)
Cost of net debt related to other borrowings	(72,8)	(70,7)
Other financial expenses	(0,3)	(0,0)
NET FINANCIAL EXPENSE	**(80,1)**	**(38,0)**

10.3. Financial risk management

Management of financial risks

In order to manage its interest rate risk, the Group holds a portfolio of derivative financial instruments consisting of interest rate swaps. These instruments are contracted over the counter with leading counterparties. They are recognized in the statement of financial position when they are contracted. Transactions that had not been unwound at the end of the reporting period are marked to market using generally accepted valuation models and techniques and based on value assumptions supplied by market analysis firms or banks.

The Group analyzes the characteristics of its financial instruments based on its exposure to interest rate risk. The classification it uses for its derivatives (notably interest rate swaps) is financial instruments at fair value through profit or loss.

See *Note 10.4, Non-current financial instruments*

The Group added rate hedging instruments to its portfolio of interest in 2023.

The Group also set up specific hedges to protect it against its exposure to changes in fuel supply costs, in the form of gas oil swaps and diesel swaps. These instruments do not qualify as hedging instruments as there is no formal documentation of the hedging relationship.

10.4. Non-current financial instruments

Accounting policies

The full fair value of a hedging derivative is recognized as a non-current asset or liability when the residual maturity of the hedged item exceeds 12 months and as a current asset or liability when the residual maturity of the hedged item is less than 12 months.

All derivative instruments held by the Group are classified in Level 1 of the fair value hierarchy.
As the Group has elected not to apply hedge accounting it recognizes all changes in the fair value of swaps directly in financial income and expenses.

September 30, 2023

	Amount	Rate Rec	Rate Range	Maturity	Fair Value (MTM)
Pay Fixed Rate	€1,430m	E3M & E6M	-0.3%/+3.175%	jun 23 - oct 27	53.6.-
Pay Variable Rate	€380m	E6M	-0.233%/-0.213%	dec 24	(23.2)

December 31st, 2022

	Amount	Rate Rec	Rate Range	Maturity	Fair Value (MTM)
Pay Fixed Rate	€2,010m	E3M & E6M	-0.3%/+1.0%	jun 22 - sep 26	59.8
Pay Variable Rate	€380m	E6M	-0.213%/-0.233%	dec 24	(25.8)

	Amount	Rate Rec	Maturity	Fair Value (MTM)
SWAP Diesel	N/A	300.95-318	31/12/21	0.0

10.5. Other financial assets

In € millions	**At Sep. 30, 2023**	**At Dec. 31, 2022**
Other non-current financial assets	39.7	52.1
Financial assets carried at amortized cost	0.0	0.0
Deposits and advance payments	4.5	4.4
Other non-current investments	0.0	0.0
Loans (gross)	0.2	2.4
TOTAL NON-CURRENT FINANCIAL ASSETS	**53.4**	**58.9**
Other current financial asset	14.3	7.7
Accrued interest receivable	0.0	0.0
Current accounts	0.0	0.0
TOTAL CURRENT FINANCIAL ASSETS	**14.3**	**7.7**

10.6. Cash and cash equivalents

Over the period January 1st to September 30, 2023, the cash and cash equivalents decreased from €78.3m to €71.1m.

In € millions	**Sep. 30, 2023**	**At Dec. 31, 2022**
Cash at bank and in hand	59,3	59,2
Marketable securities	11,9	19,1
Cash and cash equivalents	**71,1**	**78,3**
CASH AND CASH EQUIVALENTS PRESENTED IN THE STATEMENT OF FINANCIAL POSITION	71,1	78,3

Note 11 Income taxes

As part of the interim disclosure, in accordance with IAS 34, the Group's tax expense was determined on the basis of an estimated average tax rate for the 2023 financial year.

This estimated average rate is obtained from the tax rates that will be applicable and the pre-tax profit forecasts of the Group's tax entities.

In the first nine months of 2023, the tax expense amounts to 6.2 million euros and corresponds to an effective tax rate of 25.82 % (excluding effect of non-deductible financial expensive)
The tax expense for the first nine months of 2022 corresponding to an effective tax rate of 25.82 %, amounted to a positive 13.8 million euros.

Note 12 Other items in the statement of financial position

12.1. Other non-current receivables

This item includes prepaid expenses, derivatives used as hedges and other non-current receivables.

12.2. Inventories

The ownership or rights to use the inventory listed below are not subject to any major restrictions. Spare parts and consumables are measured based on the latest known prices, including incidental expenses. Provisions for impairment of inventories are determined based on turnover forecasts for each category of inventory.

Inventories (net of provisions) amount 38.9 million euros as of September 30, 2023 and 33.8 million euros as of December 31, 2022.

12.3. Current tax assets

As of September 30, 2023, current tax assets amount to 3.3 million euros, respectively 5.3 million euros as of December 31, 2022

12.4. Trade and other receivables

Accounting principles

Trade receivables are amounts due from customers for services provided in the normal course of business. They are initially recognized based on the amount of the consideration expected and are subsequently measured at amortized cost less any impairment losses.

Impairment losses for receivables carried at amortized cost are measured using the expected credit loss (ECL) approach based on the credit risk of the customer concerned, with credit losses corresponding to the difference between the present value of expected future cash flows and the original contractual cash flows or the amount outstanding as recognized in the consolidated statement of financial position. A collective impairment loss is recognized for a group of assets if the assets within the group have similar credit risk characteristics.

A breakdown of the impairment losses recorded for trade receivables is provided in the table below.

The impairment loss is recognised in the income statement under the heading “Other Current Expenses”.

As at September 30 2023, the item of trade receivables and other debtors amounted to 300.0 million euros (December 31, 2022: 281.4 million euros) of which €278.2 million euros (€245.8 million euros as of December 31 2022) was attributed to customers. Below the details for customers:

In € millions	**At Sep. 30, 2023**	**At Dec. 31, 2022**
Customers – gross value	311.4	276.4
Depreciation for bad debts	(33.2)	(30.7)
Customers - Net worth	**278.2**	**245.8**

12.5. Trade and other payables

Trade payables are recognized at fair value, which corresponds to their nominal amount. All trade and other payables are due within one year.

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59700 Marcq en Baroeul

PRICEWATERHOUSECOOPERS
AUDIT
63 rue de Villiers
92208 Neuilly-sur-Seine Cedex
France

Kapla Holding SAS

Statutory Auditors' report on the consolidated financial statements

For the year ended December 31, 2022
Kapla Holding SAS
30 bis rue Sainte-Hélène, 69002 Lyon, France

KPMG SA
36 Rue Eugène Jacquet
59700 Marcq en Baroeul

PRICEWATERHOUSECOOPERS
AUDIT
63 rue de Villiers
92208 Neuilly-sur-Seine Cedex
France

This is a free translation into English of the Statutory Auditors' report issued in French and is provided solely for the convenience of English speaking readers. This report includes information specifically required by European regulations or French law, such as information about the appointment of Statutory Auditors. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

Kapla Holding SAS

30 bis rue Sainte-Hélène, 69002 Lyon, France

Statutory Auditors' report on the consolidated financial statements

For the year ended December 31, 2022

To the Shareholders,

Opinion

In compliance with the engagement entrusted to us by your Annual General Meeting for KPMG and your by-laws for PricewaterhouseCoopers Audit, we have audited the accompanying consolidated financial statements of Kapla Holding SAS for the year ended December 31, 2022.

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 at December 31, 2022 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 these standards are further described in the "Responsibilities of the Statutory Auditors relating to the audit of the consolidated financial statements" section of our report.

Independence

We conducted our audit engagement in compliance with the independence rules provided for in the French Commercial Code (*Code de commerce*) and the French Code of Ethics (*Code de déontologie*) for Statutory Auditors for the period from January 1, 2022 to the date of our report.

Justification of assessments

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 matters that, in our professional judgment, were the most significant in our audit of the consolidated financial statements.

These matters were addressed as part of our audit of the consolidated financial statements as a whole, and therefore contributed to the opinion we formed as expressed above. We do not provide a separate opinion on specific items of the consolidated financial statements.

Accounting principles

Note 10 Financing and financial instruments to the consolidated financial statements set out the accounting principles and policies related to the recognition of derivative financial instruments at fair value through profit or loss. As part of our assessment of the accounting principles applied by the Company, we verified the appropriateness and correct application of the aforementioned accounting policies and ensured that the notes to the financial statements contained appropriate disclosures.

Accounting estimates

Goodwill and other unamortizable intangible assets (including trademarks) were tested for impairment in accordance with the methods described in Note 7.4 Impairment of non-current assets to the consolidated financial statements. Based on the information provided to us, our work consisted in assessing the data underlying the impairment tests, including by examining the updated profitability outlook of the businesses in question, reviewing the assumptions relating to the discount and perpetual growth rates and verifying the consistency of the assumptions used with the forecast data from the strategic plans prepared by each of the businesses, under the supervision of Management.

As part of our assessments, we ensured that the estimates were reasonable.

Specific verifications

As required by legal and regulatory provisions and in accordance with professional standards applicable in France, we have also performed the specific verifications on the information pertaining to the Group presented in the Chairman's management report.

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 preparing consolidated financial statements giving a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union and for implementing the internal control procedures it deems necessary for the preparation of consolidated financial statements that are free of 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 expects to liquidate the Company or to cease operations.

The consolidated financial statements were approved by the Chairman.

Responsibilities of the Statutory Auditors relating to 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 audit does not include assurance on the viability or quality of the management of the company.

As part of an audit conducted in accordance with professional standards applicable in France, the Statutory Auditors exercise professional judgment throughout the audit. They also:

- identify and assess the risks of material misstatement in the consolidated financial statements, whether due to fraud or error, design and perform audit procedures in response to those risks, and obtain audit evidence considered to be sufficient and appropriate to provide a basis for their opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of the internal control procedures 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;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management and the related disclosures in the notes to the consolidated financial statements;
- assess 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 the audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the Statutory Auditors conclude that a material uncertainty exists, they are required to draw attention in the audit report to the related disclosures in the consolidated financial statements

or, if such disclosures are not provided or are inadequate, to issue a qualified opinion or a disclaimer of opinion;

- evaluate the overall presentation of the consolidated financial statements and assess whether these statements represent the underlying transactions and events in a manner that achieves fair presentation;
- obtain 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 Auditors are responsible for the management, supervision and performance of the audit of the consolidated financial statements and for the opinion expressed thereon.

The Statutory Auditors

Marcq en Baroeul, April 5, 2023	Neuilly-sur-Seine, April 5, 2023
KPMG SA	PricewaterhouseCoopers Audit
Eric Delebarre	Alexandre Decrand
Partner	Partner

KAPLA HOLDING
CONSOLIDATED FINANCIAL STATEMENTS

Year ended December 31, 2022

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Consolidated Statement of Financial Position

ASSETS	Dec. 31, 2022	Dec. 31, 2021
In € millions		
Goodwill	946.4	813.8
Intangible assets	546.5	438.2
Property, plant and equipment	1,065.6	751.0
Non-current financial assets	58.9	7.5
Deferred tax assets	1.4	5.1
Other non-current receivables	0.0	0.0
TOTAL NON-CURRENT ASSETS	**2,618.8**	**2,015.6**
Inventories and work in progress	33.8	23.6
Trade and other receivables	281.4	181.9
Current financial assets	7.7	0.0
Current tax assets	5.3	4.9
Cash and cash equivalents	78.3	114.3
Assets held for sale	0.0	0.0
TOTAL CURRENT ASSETS	**406.5**	**324.8**
TOTAL ASSETS	**3,025.3**	**2,340.4**

EQUITY AND LIABILITIES	Dec. 31, 2022	Dec. 31, 2021
In € millions		
Share capital	5.1	5.1
Share premium	484.9	484.9
Reserves	(40.1)	(53.9)
Profit/(loss) for the period	23.9	13.4
Translation reserve	(1.4)	(1.4)
Equity attributable to owners of the parent	**472.4**	**448.1**
Non-controlling interests	0.0	0.0
TOTAL EQUITY	**472.4**	**448.1**
Long-term debt	1,386.3	1,136.8
Non-current lease liabilities	395.8	257.1
Long-term provisions for employee benefit obligations	4.6	4.0
Other long-term provisions	11.5	6.9
Non-current financial instruments	25.9	10.7
Deferred tax liabilities	168.7	129.5
Other non-current payables	0.0	0.0
TOTAL NON-CURRENT LIABILITIES	**1 992.7**	**1,545.0**
Short-term provisions for employee benefit obligations	0.0	0.0
Other short-term provisions	0.0	0.0
Short-term debt	90.0	25.0
Current lease liabilities	179.4	131.1
Current tax liabilities	4.1	3.1
Trade and other payables	286.7	188.0
Liabilities directly associated with assets held for sale	0.0	0.0
TOTAL CURRENT LIABILITIES	**560.2**	**347.3**
TOTAL EQUITY AND LIABILITIES	**3,025.3**	**2,340.4**

Consolidated Income Statement

In € millions	Year ended Dec. 31, 2022	Year ended Dec. 31, 2021
Revenue from rentals and services	1,017.7	792.9
Other operating income	35.3	35.8
Total operating income	**1,053.1**	**828.7**
Equipment and logistics costs	(275.2)	(175.6)
Payroll Costs	(301.6)	(252.3)
Head office overheads and network expenses	(98.7)	(83.8)
Depreciation, amortization and impairment	(288.2)	(238.7)
Other recurring income and expenses	(0.9)	0.5
Recurring operating profit	**88.6**	**78.8**
Non-recurring operating income and expenses	(7.2)	(0.8)
Operating profit	**81.3**	**78.0**
Cost of net debt	(78.7)	(58.4)
Financial expenses	0.0	(0.4)
Financial income	40.7	6.5
Net financial expense	**(38.0)**	**(52.2)**
Profit/(loss) before income tax	**43.4**	**25.8**
Income tax expense	(19.5)	(12.5)
Profit/(loss) from continuing operations	**23.9**	**13.4**
Profit from discontinued operations, net of tax	0.0	0.0
Profit/(loss) for the period	**23.9**	**13.4**
Attributable to:		
Owners of the parent	23.9	13.4
Non-controlling interests	0.0	0.0

Consolidated Statement of Comprehensive Income

In € millions	Year ended Dec. 31, 2022	Year ended Dec. 31, 2021
Profit/(loss) for the period	**23.9**	**13.4**
Currency translation differences	0.2	(0.2)
Items that may be reclassified to profit or loss	**0.2**	**(0.2)**
Remeasurements of defined benefit post-employment benefit obligations	0.0	0.0
Income tax effect	0.0	0.0
Items that will not be reclassified to profit or loss	**0.0**	**0.0**
Other comprehensive income	0.0	0.0
Total comprehensive income/(expense)	**24.0**	**13.2**
Attributable to:		
Owners of the parent	24.0	13.2
Non-controlling interests	0.0	0.0

Consolidated Statement of Changes in Equity

in € millions	Share capital	Share premium	Consolidated reserves	Reserves - Other comprehensive income	Equity attributable to owners of the parent	Non-controlling interests	Total equity
At Dec. 31, 2020	**5.1**	**484.9**	**(56.4)**	**0.0**	**433.6**	**0.0**	**433.6**
Change in share capital of the parent company	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Profit/(loss) for the period	0.0	0.0	13.4	0.0	13.4	0.0	13.4
Other movements	0.0	0.0	0.5	0.0	0.5	0.0	0.5
Share-based payments	0.0	0.0	0.9	0.0	0.9	0.0	0.9
Dividends paid by the parent company	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Currency translation differences	0.0	0.0	0.0	(0.2)	(0.2)	0.0	(0.2)
At Dec. 31, 2021	**5.1**	**484.9**	**(41.7)**	**(0.2)**	**448.1**	**0.0**	**448.1**

At Dec. 31, 2021	**5.1**	**484.9**	**(41.7)**	**(0.2)**	**448.1**	**0.0**	**448.1**
Change in share capital of the parent company	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Profit/(loss) for the period	0.0	0.0	23.9	0.0	23.9	0.0	23.9
Other movements	0.0	0.0	0.6	0.0	0.6	0.0	0.6
Treasury shares	0.0	0.0	(0.8)	0.0	(0.8)	0.0	(0.8)
Share-based payments	0.0	0.0	0.9	0.0	0.9	0.0	0.9
Dividends paid by the parent company	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Currency translation differences	0.0	0.0	(0.6)	0.2	(0.4)	0.0	(0.4)
At Dec. 31, 2022	**5.1**	**484.9**	**(17.7)**	**0.0**	**472.4**	**0.0**	**472.4**

Consolidated Statement of Cash Flows

In € millions	2022	2021
Profit/(loss) for the period	23.9	13.4
Net dividends received from equity-accounted investees	0.0	0.0
Depreciation, amortization and provisions, net of reversals	288.2	239.5
Other expenses/(income) with no cash impact	1.3	2.1
Cost of net debt	38.0	52.2
Income tax expense (current and deferred)	19.5	12.5
Cash flows from operations	370.8	319.6
Income tax paid	(13.3)	(5.0)
Interest paid	(62.3)	(41.1)
Carrying amount of sold assets	6.6	5.5
Change in working capital	19.3	23.9
Other expenses/(income) with a cash impact	(7.2)	(1.7)
Net cash inflow from operating activities	313.9	301.1
Payments for property, plant and equipment and intangible assets	(353.2)	(198.2)
Investment grants received	0.0	0.0
Proceeds from sales of property, plant and equipment and intangible assets	3.9	0.4
Movements in non-current financial assets	4.5	1.2
Payments for acquisitions of subsidiaries, net of cash acquired	(293.6)	(57.1)
Payments for investments in associates and/or joint-ventures	0.0	0.0
Proceeds from sales of subsidiaries with loss of control, net of cash transferred	0.0	0.0
Net cash (outflow) from investing activities	(638.4)	(253.7)
Capital increase	0.0	0.0
Sale (purchase) of own shares		
Proceeds from new long-term borrowings	528.6	126.5
Fees and premiums related to debt issues		
Repayments of long-term borrowings and lease liabilities	(239.9)	(249.7)
Net cash (outflow) from financing activities	288.7	(123.2)
Effect of exchange rate changes on cash and cash equivalents	(0.2)	0.0
Net increase/(decrease) in cash and cash equivalents	(36.0)	(75.8)
Cash and cash equivalents at the beginning of the year	114.3	190.1
Cash and cash equivalents at end of year	78.3	114.3

Notes to the Consolidated Financial Statements

Note 1 General information

Note 2 Scope of consolidation

Note 3 Significant accounting policies

Note 4 Operating data

Note 5 Segment information

Note 6 Payroll costs and employee benefits

Note 7 Goodwill, intangible assets and property, plant and equipment

Note 8 Equity and earnings per share

Note 9 Other provisions and contingent liabilities

Note 10 Financing and financial instruments

Note 11 Income tax

Note 12 Other items in the statement of financial position

Note 13 Off-balance sheet commitments

Note 1 General information

1.1 General information

Kiloutou is a major equipment rental player in France in both the business-to-business (B-to-B) and business-to-consumer (B-to-C) sectors. Its B-to-B customer base includes large national corporations, construction and civil engineering companies, independent tradespeople, local authorities and other government agencies, industrial and services companies and SMEs.

The company offers a very wide range of some 1,000 product references, including machinery for working at height and structural and finishing works, utility vehicles, heating and air conditioning equipment, audiovisual and events equipment and machinery and tools for landscaping and gardening.

The Kiloutou Group is Europe's third-largest equipment rental company. For over 45 years, it has combined economic performance with environmental and human values by proposing the most innovative solutions for an increasingly diversified customer base that includes construction and civil engineering companies, independent tradespeople, SMEs, local authorities and industry.

Kiloutou's rental activities (detailed in Note 4.1) mainly include:

- General rentals – for more than 35 years, Kiloutou has rented machinery and equipment to B-to-B customers for all types of works. Its experience and expertise have enabled it to develop the most comprehensive range of machinery and equipment in the market and offer the best services and advice to companies and businesses of all sizes.

- Specialty rentals:

    - Energy – Kiloutou Énergie, formerly La Compagnie Atlantique de Location (CAL) – has been a key player in south-west France for more than 45 years. Kiloutou Energie's diesel and electromechanical engineers provide tailored temporary power and pumping solutions with the company's range of machinery covering pumps for clear water and water from building sites, as well as groundwater drawdown, sludge and sewage pumps and generators. Each piece of equipment complies with the applicable noise and pollution standards and the company's tank farm meets the requisite environmental standards.

    - Rental of modular buildings – A perfect fit with its general equipment rental business, the rental of modular buildings allows Kiloutou to meet the needs of its customers in the construction, civil engineering, events, industry and service sectors, as well as local authorities.

The Group has operations in seven countries and employs nearly 6,300 people.

Kiloutou's network comprises some 588 branches in Europe:

462 in France
31 in Poland
24 in Spain
12 in Germany
24 in Italy
19 in Denmark
16 in Portugal

Kapla Holding SAS – which is Kiloutou's parent company – is not required to prepare consolidated financial statements, as its own parent, Dentressangle SAS, prepares and issues consolidated

financial statements, but it has elected not to use this exemption. These consolidated financial statements cover the activities of the sub-group controlled by Kapla Holding SAS (referred to as the "Kapla Group", or "the Group").

Kapla Holding acquired control of the Kiloutou Group on February 15, 2018. On that date, the Dentressangle Group acquired control of the Kiloutou Group via Kapla Holding SAS, which itself became the owner of all of the shares of Kiloutou SAS.

Kapla Holding, the parent of the entities included in the scope of consolidation, is a company incorporated under French law, whose registered office is located at 30 bis rue Saint Hélène, 69002 Lyon, France.

1.2 Significant events of the year

2022:

Salmat and Jean Bart Location were merged into Kiloutou SAS on April 1, 2022, and AB Matériels was merged into Kiloutou SAS on May 2, 2022.

In Spain, Diaz Miquelez and Almaq were merged into Kiloutou España during the same period.

In Germany, Kiloutou Wiesecker also merged with Kiloutou Deutschland on July 1, 2022.

Because these mergers were between wholly owned Group entities, they did not have any impact on the consolidated financial statements.

Although the conflict in Ukraine is a major economic event, it has no direct impact on our business. The Group continued to monitor the potential consequences of political conflict on its business in 2022, especially the impact of the crisis on inflation in Europe.

Main changes in scope of consolidation:

The Kiloutou Group signed an agreement with the CataCap fund on April 7, 2022, to acquire GSV, the leading equipment rental company in Denmark for an amount of €190,152,825. Kiloutou is set to enter a new phase in its international development by moving into the resilient and dynamic Danish market.

GSV was founded in 1964 and is currently Denmark's number one equipment rental company, with a market share of 22% and the largest range of equipment in the sector (13,000 pieces of equipment). It reported revenue of approximately €130 million in 2021. GSV employs 497 people and operates a network of 19 branches throughout Denmark.

On September 1, 2022, GSV acquired Holbæk Lift, a regional player operating out of the largest city in the northwest of Zeeland. Holbæk Lift reported revenue of €6 million and employs 20 people in one branch.

On August 13, 2022, Kiloutou entered into an agreement with Venerlapop S.A. (the vendor), to purchase 100% of the issued share capital of Grupo Vendap (excluding treasury shares) (the "Grupo Vendap Acquisition") for a purchase price of €66.2 million. The operation was financed by drawing upon our amortizable loan facility. As part of this acquisition, we also acquired €16.7 million worth of finance leases and €19.0 million of unsecured debt in the form of a term loan facility (see Recent debt financing – Grupo Vendap Facility below). The Grupo Vendap acquisition was finalized on November 2, 2022.
Grupo Vendap has 40 years' experience in the equipment rental business and is the leading player in Portugal, with an estimated market share of 16% (in 2020) as well as the largest product range,

including electric generators, work platforms, construction huts and portable toilets. Grupo Vendap – including the network recently acquired by Alugatudo – employs approximately 360 people and operates a network of 17 branches throughout Portugal, serving both big and small customers in the civil engineering, construction and public sectors. Grupo Vendap reported revenue of €44.0 million and EBITDA of €19.0 million for the twelve months to May 31, 2022.
Following the completion of the Grupo Vendap acquisition, we have expanded our European footprint by acquiring a leadership position in the Portuguese equipment rental market. We plan to leverage the extensive experience and expertise of the Grupo Vendap teams to continue to grow the business in Portugal through organic growth, by opening new branches and expanding the fleet offering, and through selective acquisitions.

On December 6, 2022, Kiloutou Group signed an agreement to acquire an Italian rental company "Aerotecnica" for €12.4 million. Aerotecnica reported revenue of €7.1 million and EBITDA of €2.5 million for 2021.

On December 8, Kiloutou Group signed an agreement to acquire a French rental company "Jamart location" for €36.4 million. Jamart location reported revenue of €16 million and EBITDA of €7 million for 2021.

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Recent debt financing

During fiscal year 2022, we contracted the following debt instruments to finance the Group's general business requirements and working capital.

Loan agreement to finance the acquisition of GSV

In April 2022, the Company entered into a senior credit agreement with certain lenders for an amount of €150 million to finance the acquisition of GSV by the Kiloutou Group. This term loan has been drawn down in full and matures in April 2023.

On April 7, 2022, the Company entered into a bridge financing agreement with Crédit Agricole Corporate and Investment Bank, Natixis, Société Générale and BNP Paribas (as arrangers) and BNP Paribas (as security Agent), for an amount of €150 million to finance the acquisition of GSV by the Kiloutou Group (the "Bridge Facility Agreement"). This bridge loan has been drawn down in full and matures on April 6, 2023. A private placement of secured senior high yield bonds has been issued to repay it.

The bridge loan bears interest at an annual rate of 4.25% plus Euribor, with a 0.5% increase every three months, subject to compliance with an annual ceiling of 6%.

Senior Facility Agreement

On November 23, 2022, the Company entered into a senior facility agreement with certain lenders: Crédit Lyonnais as coordinator, sustainable development coordinator and sustainable development agent, and GLAS SAS as facility agent and security agent, for a total amount of €25.0 million (the "Senior Facility") to finance the Group's general business requirements and working capital (but excluding direct or indirect financing of acquisitions). It had been drawn down in full at December 31, 2022.

The senior term loan bears interest at an annual rate of 4.50% plus Euribor.

Stimulus bonds

On November 23, 2022, the Company entered into underwriting agreements to issue €49.0 million worth of government-guaranteed stimulus bonds in two tranches through a private placement with the underwriters of the bonds – *Fonds Obligations Relance France* and *Fonds Obligations Relance France – Eiffel Investment Group*. We issued these stimulus bonds in late November 2022 and they mature eight years from their issue date.
Of the total amount of stimulus bond principal, 90% (i.e., €44.1 million) will bear interest at 6.15% per annum, while the remainder (€4.9 million) will bear interest at 8.15% per annum.

Loan from Grupo Vendap

Our subsidiary, Grupo Vendap, has entered into a loan agreement ("Grupo Vendap Facility Agreement") with Banco Santander Totta and Banco BPI for a €19.0 million term loan facility, divided equally into a floating rate tranche at Euribor plus 2% per annum, and a floating rate tranche at a fixed rate of 2.1% per annum for the first three years. This loan is repayable in semi-annual installments and is unsecured. Kiloutou S.A.S. has provided a comfort letter whereby it undertakes to support Grupo Vendap financially in the event of non-payment by Grupo Vendap, or if it ceases to hold virtually all of the shares of Grupo Vendap. The Grupo Vendap Facility Agreement matures in February 2027.

Bilateral loan

On November 15, 2022, Kiloutou entered into a bilateral loan agreement under French law with Banque CIC Nord Ouest and Banque Européenne du Crédit Mutuel, for an unsecured and unguaranteed loan facility of €10 million, amortizable over 48 months and bearing interest at 4.5%.

1.3 Events after the reporting period

In Italy, Elevo was merged into Kiloutou Italy (formerly Cofiloc) on January 1, 2023. Because this merger was between wholly owned Group entities, it did not have any impact on the consolidated financial statements.

Repayment of the €150 million loan set up to finance the GSV acquisition:

In January 2023, the Group restructured some of its debt. All of the financing contracted in April 2022 in connection with the acquisition of control of GSV by Kiloutou was repaid and the Group issued €200 million worth of floating-rate bonds, redeemable in full at maturity on July 15, 2027.

Note 2 Scope of consolidation

The consolidated financial statements of the Kapla Group include the accounts of the parent company Kapla Holding and those of its subsidiaries for the year ended December 31, 2022.

Changes in the scope of consolidation are presented in *Note 1.2, Significant events of the year.*

Company	Country	Number of shares held	% control	Consolidation method	Registered office	SIREN business registration no.
KAPLA HOLDING	**France**	**509,808,254**	**100.00%**	**Parent**	**30 bis rue Saint-Hélène, 69002 Lyon**	**833372774**
KILOUTOU SAS	France	4,176,622	100.00%	FC	1 rue des Précurseurs - 59664 Villeneuve d'Ascq	317686061
SCI 100 RN 10 COIGNIERES	France	9,999	100.00%	FC	1 rue des Précurseurs - 59664 Villeneuve d'Ascq	401667043
KILOUTOU IMMOBILIER	France	2,530	100.00%	FC	1 rue des Précurseurs - 59664 Villeneuve d'Ascq	381959394
DARDILOC	France	1,000	100.00%	FC	1 rue des Précurseurs - 59664 Villeneuve d'Ascq	827487703
KILOUTOU MODULE	France	22,729	100.00%	FC	1 rue des Précurseurs - 59664 Villeneuve d'Ascq	453700106
JAMART MODULAR RENTAL	France	5,356	100.00%	FC	13, rue de Nesle 80200 Estrées-Deniécourt	433937646
LOCA RECEPTION	France	1,000	100.00%	FC	1 rue des Précurseurs - 59664 Villeneuve d'Ascq	493440416
KILOUTOU ENERGIE	France	11,174	100.00%	FC	20 bis René Bars - 40250 Mugron	301351029
KILOUTOU SIGNALISATION	France	50,000	100.00%	FC	1 rue des Précurseurs - 59664 Villeneuve d'Ascq	301351029
KILOUTOU POLSKA	Poland	269,600	100.00%	FC	ul. Rokicińska 142, 92-412 Łódź Polska	410479
KILOUTOU ESPAÑA	Spain	30,000	100.00%	FC	Carrer Pla de Matabous3408110 Montcada i Reixac, Barcelona	A60383379
KILOUTOU GMBH	Germany	25,000	100.00%	FC	Am Knick 11, 22113 Oststeinbek, Germany	HRB 15774 HL
KILOUTOU DEUTSCHLAND	Germany	1	100.00%	FC	Am Knick 11, 22113 Oststeinbek, Germany	HRB 3496 RE
KILOUTOU HOLDING	Italy	696,000	100.00%	FC	Via Postumia Ovest 101 (TV), 31048 San Biagio di Callalta	9975240962
KILOUTOU ITALIA	Italy	500,000	100.00%	FC	Via Postumia Ovest 101 (TV), 31048 San Biagio di Callalta	1152330260
ELEVO	Italy	10,000	100.00%	FC	Via Nigarzola 10 Cap, 24040 Lallio (BG)	3026380166
STICAR	Italy	58,200	100.00%	FC	Corso Stati Uniti 10, 35127 Padua (PD)	642470280
AEROTECNICA	Italy	5,000	100.00%	FC	Via Nigarzola 10 Cap, 24040 Lallio (BG)	1,039,850,480
KILOUTOU DENMARK	Denmark	40,000	100.00%	FC	c/o bird&bird sundkrogsgade 21 2100 Kobenham	43 155 598
GSV	Denmark	30,658	100.00%	FC	Baldersbuen 5 - DK2640 Hedehsuene	51 427 528
HOLBAEK	Denmark	500	100.00%	FC	Sophienlundsvej 4, 4300 Hoobaek	29 616 531
KILOUTOU PORTUGAL	Portugal	5,000	100.00%	FC	Street, Ivens 42, 1st floor, 1200-227 Lisbon	517,161,893
GRUPO VENDAP	Portugal	50,000	100.00%	FC	Estrada Nacional, 118 KM 22, Fil Figueiras	508,669,685
CRUCIAL MERIDIAN ALIGATUDO	Portugal	25,000	100.00%	FC	Estrada Nacional, 118 KM 22, Fil Figueiras	296,616,531

Note 3 Significant accounting policies

3.1 COMPLIANCE STATEMENT

The consolidated financial statements of Kapla Holding have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and as endorsed by the European Union at December 31, 2022. The IFRS adopted by the European Union can be viewed on the European Commission's website.
The consolidated financial statements were approved for issue by the Board of Directors on March 23, 2023.

The financial statements also include information deemed significant as required by Regulation 2016-09 issued by the French Accounting Standards Board (ANC).

Kapla Holding SAS's registered office is located at 30 B Rue Ste Hélène, 69002 Lyon, France.

3.2 BASIS OF PREPARATION

3.2.2. Summary of significant accounting policies

The financial statements are presented in millions of euros (rounded to the nearest million), which is the Group's presentation currency and the parent company's functional currency.

They have been prepared on a historical cost basis, except for the following which have been measured at fair value: derivative financial instruments, available-for-sale financial instruments and financial instruments measured at fair value through other comprehensive income.

The accounting policies set out below have been applied consistently to all periods presented in the consolidated financial statements

and by all Group entities.

In preparing the consolidated financial statements, the Group did not early adopt any issued amendments, new standards or interpretations that have been adopted by the European Union but which are not mandatory for the year ended December 31, 2022. The Group does not expect these new standards, amendments or interpretations to have a material impact on its consolidated financial statements in future reporting periods. The new standards, amendments and interpretations whose application is mandatory as from January 1, 2022 are as follows:

- Amendment to IFRS 3 – Amendments to References to the Conceptual Framework in IFRS Standards
- Amendments to IAS 16 – Property, Plant and Equipment – Proceeds before Intended Use
- Amendments to IAS 37 – Onerous Contracts – Cost of Fulfilling a Contract
- Annual Improvements to IFRSs (2018-2020 Cycle) – Amendments to IFRS 1, IFRS 9, IAS 41 and IFRS 16.

The Group does not expect the application of these amendments to have a material impact on its consolidated financial statements.

3.2.3. Use of estimates

The preparation of consolidated financial statements requires Management to use judgment and to use estimates and assumptions that can affect the reported amounts of certain assets, liabilities, income and expenses, as well as the information disclosed in the accompanying notes.

In preparing the consolidated financial statements, the significant judgments made by Management in applying the Group's accounting policies and the key estimates used relate in particular to the following:

- Measurement of the recoverable amount of goodwill, property, plant and equipment and intangible assets.
- Measurement of trademarks and customer relationships.
- The terms of lease contracts that fall within the scope of IFRS 16.
- Measurement of financial instruments.
- The amount of deferred tax assets that can be recognized in the statement of financial position.

3.2.4. Scope of consolidation

Full consolidation

All of the companies included in the Group's scope of consolidation are fully consolidated. They apply consistent accounting policies (known as "group accounting policies") for recording and presenting similar transactions and events.

A list of the Group's consolidated companies is provided in *Note 2, Scope of consolidation.*

The Company controls an entity when it has:

- Power over the entity.
- Exposure, or has rights, to variable returns from its involvement with the entity.
- The ability to use its power over the entity to affect the amount of its returns.

All companies included in the Group's scope of consolidation are consolidated based on annual financial statements at December 31.

All intra-group transactions and balances are eliminated in consolidation.

3.2.5. Business combinations and asset acquisitions

Business combinations

Business combinations are accounted for using the acquisition method:

- The acquisition price is measured at the acquisition-date fair value of the consideration transferred, including any contingent consideration. Any post-acquisition changes in the estimated fair value of contingent consideration that occur after the acquisition price measurement period are recognized in profit or in equity, depending on the applicable standards.
- Any excess of the consideration transferred over the acquisition-date fair value of the

identifiable assets acquired and liabilities assumed represents goodwill, which is recorded as an asset in the statement of financial position.

Any fair value adjustments to the net identifiable assets acquired in a business combination that were originally measured on a provisional basis (due to ongoing valuations or additional analyses) are recognized as retrospective adjustments to goodwill if they are recorded within one year of the acquisition date and if they result from facts and circumstances that existed at the acquisition date. Beyond this one-year measurement period, the impacts of any such fair value adjustments and any changes in estimates are recognized directly in profit or loss.

Intangible assets may be recognized for customer relationships that correspond in substance to contracts in progress at the acquisition date and/or relationships with regular customers of the acquired entity (opportunity to enter into new contracts). These intangible assets are measured based on the “excess earnings” method, which considers that the value of the intangible asset recognized corresponds to the present value of the net cash flows expected to be generated by the customer relationship, after deducting the proportion of cash flows attributable to other assets that are required to generate those cash flows (contributory assets). Intangible assets may also be recognized for technologies (patented or not) and trademarks. These are valued either based on the “relief-from-royalty” method or the "replacement cost" method.

If the Group acquires an interest in an entity representing less than 100%, the portion of the entity not acquired (the non-controlling interest) is measured at either:

- full fair value, in which case the goodwill recognized includes the goodwill on the non-controlling interest as well as on the acquired controlling interest (the full goodwill method); or

- the fair value of its proportion of the net identifiable assets acquired (the partial goodwill method).

Costs directly attributable to major acquisitions are recorded under “Non-recurring operating income and expenses” in the period in which they are incurred.

Contingent consideration on a business combination is measured at fair value at the acquisition date even if it is not considered probable that the consideration will be paid. Any post-acquisition changes in the estimated fair value of contingent consideration may only give rise to an adjustment to goodwill if they occur during the measurement period (i.e., within one year of the acquisition date) and if they are the result of additional information acquired after the acquisition date about facts and circumstances that existed at that date. In all other cases, any changes in the estimated fair value of contingent consideration are recognized in profit or equity in accordance with the relevant IFRS.

If a business combination is achieved in stages, the acquisition-date carrying amount of the Group’s previously held equity interest in the acquiree is remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognized in profit or loss (if the previously held interest is measured at fair value through profit or loss). For the purpose of determining goodwill at the acquisition date, the fair value of the consideration transferred (e.g., the price paid) is increased by the fair value of the Group’s previously held equity interest in the acquiree. Any amounts previously recognized in other comprehensive income related to the Group’s previously held interest in the acquiree are recycled to profit or loss.

Asset acquisitions

Acquisitions of groups of assets that do not fall within the scope of IFRS 3, as defined in the 2020 amendment to IFRS 3, are accounted for at cost (including acquisition-related expenses). The cost of the group of assets is allocated to the individual identifiable assets and liabilities based on their relative fair values at the acquisition date.

3.2.6. Foreign currency transactions

The functional currency of the Group's foreign companies is their local currency.

Consequently, the financial statements of foreign companies that are denominated in currencies other than the euro are translated into euros as follows:

- Assets and liabilities are translated at the exchange rates prevailing at the reporting date.

- Income and expenses are translated at the average rate for the period, provided it is not affected by significant fluctuations in exchange rates.

Currency translation differences related to (i) opening equity or movements in equity during the period (capital increases, acquisitions, etc.), or (ii) income statement items, are recognized in other comprehensive income and broken down between the portion attributable to owners of the parent and the portion attributable to non-controlling interests. The impact of these currency translation differences is shown in a separate line in the consolidated statement of changes in equity.

Foreign currency transactions are translated into the respective functional currencies of the Group's entities using the exchange rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated into the functional currency at the exchange rates prevailing at that date. The resulting currency translation differences are recognized in profit or loss.

3.2.7. Presentation of financial information

The amounts disclosed in the consolidated financial statements have been rounded to the nearest million euros and include individually rounded data. Consequently, totals and sub-totals may not correspond exactly to the sum of the reported amounts.

3.2.8. Statement of financial position and statement of cash flows

Assets and liabilities are classified as current when they form part of the normal operating cycle. Other assets and liabilities are classified as either current or non-current depending on whether or not they are expected to be recovered or settled within 12 months of the reporting date.

The Group's statement of cash flows has been prepared in accordance with IAS 7, using the indirect method based on consolidated profit for the period, and is broken down into three categories:

- Cash flows from operating activities (including taxes).

- Cash flows from investing activities (notably purchases and sales of subsidiaries and associates, property, plant and equipment and intangible assets).

- Cash flows from financing activities (particularly proceeds from new borrowings and repayment of existing borrowings, purchases of own shares, and dividends paid).

3.3 MAIN CHANGES IN ACCOUNTING METHODS

There were no changes in accounting policies during the year ended December 31, 2022.

3.4 RELATED-PARTY TRANSACTIONS

According to IAS 24, a related party is defined as, among other things, a party that can exercise control or have significant influence over the reporting entity. All business transactions with non-consolidated subsidiaries are conducted on arm's length terms. Several members of the Group's management team and Supervisory Board are members of the supervisory bodies of companies with which Kapla Holding has relations in the normal course of its business. All transactions with these companies are carried out on arm's length terms.

3.4.1. Transactions with companies over which Kapla Holding has significant influence

At December 31, 2022, the Group had not carried out any material transactions with companies over which Kapla Holding has significant influence.

3.4.2. Compensation of key management personnel

The Group provides benefits in kind to its key management personnel, pays attendance fees and contributes to a post-employment benefit plan set up for them. Key management personnel primarily correspond to Kapla Holding's Chairman and the members of its Supervisory Board and Executive Committee (ExCom).

The compensation expense recognized in 2022 for the Group's key management personnel (the Chairman and Supervisory Board members) breaks down as follows:

(in € thousands)	2022	2021	2021*
Fixed compensation	1,627.0	1,504.0	125.3
Benefits in kind *(ExCom members)*	53.7	52.8	4.4
Length-of-service awards *(ExCom members)*	20.5	23.0	1.9
Attendance fees paid *(Supervisory Board members)*	317.7	323.9	323.9
TOTAL	2,018.9	1,903.7	455.5

*Monthly figures.

3.4.3. Transactions with shareholders and key personnel of subsidiaries

Apart from the transactions set out in Note 13, no significant transactions were carried out in 2022 with (i) any company directly or indirectly related to key personnel of Kapla Holding's subsidiaries, or (ii) Kapla Group shareholders.

3.5 OFF-BALANCE SHEET COMMITMENTS RELATED TO CONSOLIDATED COMPANIES

Off-balance sheet commitments correspond to commitments given or received by entities in the Group's scope of consolidation that are not recognized in the statement of financial position.

Details of the Group's off-balance sheet commitments are provided in *Note 13, Off-balance sheet commitments.*

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Note 4 Operating data

4.1 REVENUE

The Group generates revenue from rentals and services.

Revenue from rentals and sub-rentals

The Group rents out heavy and light equipment and tools to a diverse customer base including construction and civil engineering companies, tradespeople, public entities, industrial companies, event companies and, to a lesser extent, private individuals.

Some equipment that it rents out does not belong to Kiloutou, in which case it is sub-rented.

Revenue from equipment rentals and sub-rentals is recognized on a straight-line basis over the rental period in accordance with IFRS 16. The term of a rental contract or the term specified on the purchase order when a framework agreement exists can vary from one day to several weeks and is generally of short duration. The end of the rental period occurs when the equipment is returned.

The Rental segment consists of two businesses in France: General rentals and Specialty rentals

- **General rentals**

The general rentals business corresponds to the rental of basic equipment: Tools and Light Equipment, Earth-Moving Equipment, Access Equipment and Utility Vehicles.

- **Specialty rentals**

The specialty rentals business covers four product categories: Energy, Modular Buildings, Signaling and Events.

- **Other countries**

The Group's international operations mainly correspond to general rentals, corresponding to the rental of general equipment.

Revenue from rental-related services

The Group offers services that are directly related to its rental segment activities.

The revenue generated from these rental-related services is mainly derived from the following:

- transportation of equipment;
- sale of consumables and spare parts;
- equipment breakdown warranties;
- labor for cleaning and repairs;
- training.

These services constitute distinct performance obligations under IFRS 15.

The revenue from these rental-related services is recognized in accordance with IFRS 15 as follows:

- Transportation: revenue is recognized when the service has been performed as the duration of the service is short.
- Sale of consumables: revenue is recognized on delivery to the customer.
- Equipment breakdown warranties: revenue is recognized progressively over the rental

period.

- Cleaning and repairs: revenue is recognized when the service has been performed as the duration of the service is short.
- Training: revenue is recognized when the service has been performed as the duration of the service is short.

Kiloutou sometimes uses external parties to perform these services but it remains responsible for the services vis-à-vis the customer.

Other operating income – sale of used equipment

Kiloutou's equipment is often resold to brokers through auctions and this forms part of the Group's ordinary operating activities. The customer base for rentals is not the same as for sales of used equipment.

Revenue from the sale of used equipment is recognized when control of the equipment is transfered, i.e., when it is delivered to the customer.

Breakdown of revenue

	2022		2021	
In € millions	Group total	% of Group total	Group total	% of Group total
Rentals	**672.2**	63.8%	**555.7**	67.1%
Sub-rentals	40.6	3.9%	17.6	2.1%
Equipment breakdown warranties	46.4	4.4%	37.1	4.5%
Sales of consumables	72.6	6.9%	62.6	7.6%
Transport and deliveries	113.7	10.8%	91.6	11.1%
Cleaning and repairs	69.8	6.6%	27.7	3.3%
Training	3.3	0.3%	2.9	0.4%
Other	(0.9)	(0.1)%	(233.5)%	(0.3)%
Revenue from rental and services	1,017.7	96.6%	792.9	95.7%
Sale of used equipment	35.3	3.4%	35.8	4.3%
Other operating income	35.3	3.4%	35.8	4.3%
Total operating income	1,053.1	100.0%	828.7	100.0%

4.2 EQUIPMENT AND LOGISTICS COSTS

Equipment and logistics costs include: insurance (for vehicles, breakages and theft), costs for goods transportation, fuel and technical equipment, the cost of repairing and refurbishing equipment, and the rental of equipment that does not fall within the scope of IFRS 16.
The carrying amounts of sold products are also included in equipment costs.

4.3 HEAD OFFICE OVERHEADS AND NETWORK EXPENSES

Head office overheads and network expenses mainly include IT and technical costs, costs related to supplies and telephone equipment, postage, marketing and communication expenses, travel costs and statutory auditors' and consultants' fees. The Group does not incur any research and development costs.

4.4 DEPRECIATION, AMORTIZATION AND IMPAIRMENT

This item mainly comprises depreciation and amortization expense, impairment losses and additions to and reversals of provisions for contingencies.

In € millions	December 31, 2022	%	December 31, 2021	%
Amortization of intangible assets	(14.7)	(1.4)%	(16.6)	(2.1)%
Depreciation and amortization for property, plant and equipment*	(273.5)	(26.9)%	(222.1)	(28.0)%
Other	0.0	0.0%	0.0	0.0%
ADDITIONS TO DEPRECIATION, AMORTIZATION AND IMPAIRMENT	**(288.2)**	**(28.3)%**	**(238.7)**	**(30.1)%**

** Includes amortization of right-of-use assets in accordance with IFRS 16.*

4.5 OTHER RECURRING INCOME AND EXPENSES

Other recurring income and expenses mainly include administrative costs, provisions and losses arising on doubtful receivables.

4.6 NON-RECURRING OPERATING INCOME AND EXPENSES

Income and expenses from non-recurring operations that represent significant amounts and could affect the understanding of the Group's operating performance are recorded in "Non-recurring operating income and expenses".

This line notably includes significant goodwill impairment losses, significant and unusual impairment of property plant and equipment/intangible assets, and items that are unusual, represent significant amounts and do not fall within the Group's scope of ordinary activities such as major restructuring costs, exceptional payments for contract terminations or fees for structural acquisitions (whether completed or not). "Structural acquisitions" are acquisitions that lead to a significant change (in size, strategy, etc.) for the Group and must be qualified as such by Management on a case-by-case basis. Generally, a structural acquisition is a transaction where the acquiree generates over €100 million in annual revenue and has a dominant market position in a particular country.

For 2022, the net non-recurring expense reflects the costs related to the takeover of GSV for €6.4 million and a €0.8 million write-down taken on ShareMat shares.

4.7 NET FINANCIAL INCOME/(EXPENSE)

Net financial income/(expense) is presented in *Note 10.2, Financial income and expenses*.

4.8 FEES PAID TO THE STATUTORY AUDITORS

In accordance with Regulation no. 2016-09 issued by the French Accounting Standards Board (ANC), the following table shows the amount (excluding VAT and disbursements) paid by Kapla Holding and its French subsidiaries to the Statutory Auditors:

In thousands of euros	PWC		KPMG		OTHER	
	2022	2021	2022	2021	2022	2021
Audit						
Statutory audit, certification, review of individual and consolidated financial statements	230	157	440	249	200	128
Non-audit services	350	1	636	10	6	0
TOTAL	580	158	1,076	260	206	128

Note 5 Segment information

The information reported to the Executive Committee – the chief operating decision maker – for the purpose of allocating resources to operating segments and assessing their performance is broken down by geographical area and by the nature of each business and the rented assets. The Group's geographical areas correspond to France, which is its home market, and International, and the categories of businesses and rented assets are general rentals and specialty rentals. The Group's reportable segments as identified in accordance with IFRS 8 are:

- **France – General rentals:** this segment corresponds to providing customers with a fleet of equipment covering all public works and civil engineering needs, a range of elevation equipment, and equipment that meets safety standards in the fields of industry and maintenance.
- **France – Specialty rentals:** corresponding to a rental offer of modular buildings and temporary energy and pumping solutions.
- **International:** Mainly comprises General rental operations similar to those conducted in France.

We have not identified any single customer whose transactions represent 10% or more of the Group's revenue.

5.1 KEY INDICATORS BY SEGMENT

The key indicators by segment as presented in the tables below are as follows:

- **Revenue from rentals and services:** revenue from rentals and services recognized by the Group for each type of income stream.
- **EBITDA:** profit for the period before depreciation, amortization and impairment, net financial income/(expense), income tax, and non-recurring operating income and expenses, excluding the effects of stock options and provisions for post-employment benefit obligations.
- **Segment assets:** property, plant and equipment and intangible assets (including goodwill) net of depreciation, amortization and impairment.
- **Segment headcount:** full-time equivalent employees for the year.

Revenue from rentals and services by segment

In € millions	2022 Total Group	2022 % of total revenue from rentals and services	2021 Total Group	2021 % of total revenue from rentals and services
France - General rentals	633.2	62%	588.8	74%
France - Speciality rentals	69.7	7%	59.9	8%
Total France	**702.9**	**69%**	**648.7**	**82%**
International	314.8	31%	144.2	18%
Total revenue from rentals and services	1,017.7	100%	792.9	100%

EBITDA by segment

In € millions	2022 Group total	2022 % of total EBITDA	2021 Group total	2021 % of total EBITDA
France – General rentals	246.1	24%	234.6	28%
France – Specialist rentals	23.8	2%	24.1	3%
Total – France	**269.8**	**27%**	**258.7**	**31%**
International	111.0	11%	62.3	8%
Holding company costs	(2.1)	0%	(1.5)	0%
Total EBITDA	378.7	37%	319.5	39%

Segment assets

In € millions	2022 Total Group	2022 % of total segments assets	2021 Total Group	2021 % of total segments assets
France - General rentals	1,524.6	60%	1,489.0	74%
France - Speciality rentals	140.7	6%	108.9	5%
Total France	**1,665.4**	**65%**	**1,597.9**	**80%**
International	893.1	35%	405.1	20%
Total segments assets	2,558.5	100%	2,003.0	100%
Assets used in operations	2,558.5	100%	2,003.0	100%
Unallocated assets	0.0	0%	0.0	0%
Total Group segments assets	2,558.5	100%	2,003.0	100%

Segment headcount

In € millions	2022 Group total	2022 % of total headcount	2021 Group total	2021 % of total headcount
France – General rentals	4,036	65%	3,908	77%
France – Specialty rentals	316	5%	244	5%
Total – France	4,352	70%	4,152	81%
International	1,865	30%	948	19%
Total average headcount	6,217	100%	5,100	100%

5.2 RECONCILIATION WITH CONSOLIDATED DATA

Consolidated EBITDA can be reconciled with recurring operating profit as follows:

In € millions	December 31, 2022	%	December 31, 2021	%
Recurring operating income/(expense)	**88.6**	8.7%	**78.8**	9.9%
Additions to depreciation, amortization and impairment	288.2	28.3%	238.7	30.1%
Provision for retirement bonuses	0.7	0.1%	0.8	0.1%
Share-based payment (IFRS 2)	1.2	0.1%	1.2	0.1%
EBITDA	**378.7**	**37.2%**	**319.5**	**40.3%**

Consolidated EBITDA can be reconciled with profit for the period as follows:

In € millions	December 31, 2022	%	December 31, 2021	%
EBITDA	**378.7**	**37.2%**	**319.5**	**40.3%**
Additions to depreciation, amortization and impairment	(288.2)	(28.3)%	(238.7)	(30.1)%
Provision for retirement bonuses	(0.7)	(0.1)%	(0.8)	(0.1)%
Share-based payment (IFRS 2)	(1.2)	(0.1)%	(1.2)	(0.1)%
Non-recurring operating income and expenses	(7.2)	(0.7)%	(0.8)	(0.1)%
Net financial expense	(38.0)	(3.7)%	(52.2)	(6.6)%
Income tax expense	(19.5)	(1.9)%	(12.5)	(1.6)%
Attributable to non-controlling interests	0.0	0.0%	0.0	0.0%
Profit attributable to owners of the parent	**23.9**	**2.3%**	**13.4**	**1.7%**

5.3 INFORMATION BY GEOGRAPHICAL AREA

Non-current assets by country

	2022		2021	
In € millions	Group total	% of total non-current Assets	Group total	% of total non-current Assets
France – General rentals (including holding company costs)	1,579.2	62%	1,499.1	75%
France – Specialty rentals	141.2	6%	109.3	5%
Total – France	**1,720.3**	**67%**	**1,608.4**	**80%**
Denmark	357.7	14%		0%
International	540.7	21%	407.3	20%
Total non-current assets	2,618.8	102%	2,015.7	101%
Assets used in operations	2,618.8	100%	2,015.7	100%
Unallocated assets	0.0	0%	0.0	0%
Total non-current Group assets	2,618.8	100%	2,015.7	100%

External revenue by segment

	2022		2021	
In € millions	Total Group	% of Group total	Group total	% of Group total
France – General rentals	633.2	62%	615.7	74%
France – Specialty rentals	69.7	7%	60.9	7%
Denmark	145.2	14%	0.0	0%
International	169.6	17%	152.1	18%
Total income from all activities	1,017.7	100%	828.7	100%

Note 6 Payroll costs and employee benefits

6.1 HEADCOUNT

The Group's headcount – corresponding to the headcount of its consolidated companies – was as follows in 2022 and 2021:

	2022	2021
Total headcount at December 31	6,885	5,675
Average headcount for the year	6,217	5,100

6.2 PAYROLL COSTS

Payroll costs presented in the income statement break down as follows by nature:

In € millions	December 31, 2022	%	December 31, 2021	%
Staff salaries after payroll taxes	269.6	26.5%	217.4	27.4%
Incentive schemes and employee profit-sharing	19.9	2.0%	24.5	3.1%
Employee benefits and share-based payment*	2.2	0.2%	2.6	0.3%
Other personnel costs	9.8	1.0%	7.8	1.0%
TOTAL PAYROLL COSTS	**301.6**	**29.6%**	**252.3**	**31.8%**

**Employee benefits and share-based payments also include statutory retirement bonuses and stock options.*

***Other costs include recruitment costs, severance pay and training.*

6.3 EMPLOYEE BENEFITS

In accordance with IAS 19 – Employee Benefits, all entities included in the scope of consolidation identify and record all benefits granted to employees.

Depending on the laws and practices of each of its operating countries, the Group contributes to plans covering pensions, personal risk insurance, healthcare costs and statutory retirement bonuses. The benefits under these plans are based on various factors, such as seniority, salaries and payments made into statutory plans.

For defined contribution plans, the Group pays periodic contributions to external organizations that are responsible for the administrative and financial management of the plans. These contributions are expensed as incurred.

The benefit obligation for defined benefit plans is calculated using the projected unit credit method. The calculations are performed annually by independent actuaries for the largest plans and at regular intervals for other defined benefit plans. The actuarial assumptions used to determine the defined benefit obligation vary depending on the specific characteristics of each company (staff turnover rate, estimated future salary growth) and the economic conditions prevailing in the country where the plan is located (discount rate, inflation).

The expense recognized in the income statement for defined benefit plans comprises the current service cost (recognized in payroll costs), the net interest cost (recognized in other financial income and expenses) and the past service cost for the year. The Group determines the net interest expense on the net defined benefit liability for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability.

The Group's defined benefit plans mainly correspond to statutory retirement bonuses in France and Poland and statutory severance pay (TFR) in Italy.

The TFR liability in Italy has been recognized in accordance with the requirements of Italian law.

The impacts of statutory retirement bonuses in Poland are recognized but are not material.

Short- and long-term provisions for employee benefit obligations amounted to €4.5 million at December 31, 2022 (including, €2.3 million for TFR in Italy, and €2.2 million for statutory retirement bonuses in France), compared with €4.0 million at December 31, 2021 (including €1.5 million for TFR in Italy and €2.5 million for statutory retirement bonuses in France).

The main actuarial assumptions used to estimate the Group's obligations in France are set out below:

	Dec. 31, 2022	Dec. 31, 2021
Discount rate	3.16%	0.89%
Estimated future salary growth rate	2%	2%
RETIREMENT AGE	2022	2021
Managerial staff	65	65
Non-managerial staff	62	62

The INSEE 2018-2020 mortality table was used for France. Staff turnover rates are calculated by age bracket. The probability of employees leaving the Group before retirement varies, and can be up to 24.3% for certain employees aged between 20 and 24. At December 31, 2022, the term of the benefit obligation was 13 years and 6 months.

Sensitivity to assumptions (France)

A 25 basis-point decrease in the discount rate would increase the carrying amount of the obligation by 1.6% (with the impact recorded in other comprehensive income).

Movements in the net provision recognized in the statement of financial position were as follows in 2022 and 2021:

In € millions	Dec. 31, 2022	Dec. 31, 2021
Provision at Jan. 1	**2.5**	**2.0**
Actuarial gains and losses recognized in other comprehensive income	(0.6)	-
Net expense	0.4	0.4
Benefits paid	(0.1)	(0.1)
Other	-	-
Changes in scope of consolidation	-	0.3
Provision at Dec. 31	**2.2**	**2.5**

The expenses recognized for defined benefit plans break down as follows:

(in € thousands)	2022	2021
Net interest cost	26.1	10.9
Current service cost	272.4	578.0
Past service cost	-	-
Curtailments/settlements	-	-
TOTAL EXPENSES	298.5	588.9
O/w recorded in payroll costs	272.4	578.0
O/w recorded in other financial income and expenses	26.1	10.9

The benefit obligations are determined based on salaries, payroll tax rates, estimated retirement ages, and the probability that the employees concerned will still be with the Group at their retirement date.

6.4 SHARE-BASED PAYMENTS

Some employees and corporate officers of the Kapla Holding Group are beneficiaries under preference share plans.

"C2" preference share plans

At Kapla Holding's Extraordinary General Meeting held on February 15, 2018, the shareholders authorized the Company to set up a preference share plan (Plan 1) for certain Group managers and non-managerial employees. The authorization was given for a period of six years, expiring on February 15, 2024.

The grant of 1,820,118 C2 preference shares was authorized under Plan 2 on April 27, 2021.

At the General Meeting of December 15, 2021, the shareholders authorized the Chairman to implement the preference share plan for certain Group managers and non-managerial employees (the "ADPR C2" plan). The "C2" preference shares granted under this plan have a one-year vesting period and are subject to the beneficiary still forming part of the Group at the vesting date.

The details of the preference share plans as at December 31, 2022 are as follows:

	Type of plan	Grant date	Number of shares granted	Number of shares canceled	Preference shares outstanding at Dec. 31, 2022	Legal vesting period of preference shares	End date for deferral of the share-based payment expense*	Fair value of preference shares outstanding at Dec. 31, 2022	2022 share-based payment expense (IFRS 2) (In €)
ADPR C2	Preference shares – Plan 1	Aug. 1, 2018	4,797,376	282,500	4,514,876	1 year	Feb. 15, 2024	4,943,676	891,523
ADPR C2	Preference shares – Plan 1	April 5, 2019	94,644	-	94,644	1 year	Feb. 15, 2024	151,430	31,104
ADPR C2	Preference shares – Plan 1	July 17, 2019	730,256	64,453	665,803	1 year	Feb. 15, 2024	1,065,285	232,275
ADPR C2	Preference shares – Plan 1	Aug. 1, 2019	104,269	-	104,269	1 year	Feb. 15, 2024	166,830	36,705
ADPR C2	Preference shares – Plan 2	Oct. 29, 2021	931,755	-	931,755	1 year	Feb. 15, 2024	74,540	32,428
		TOTAL	**6,658,300**	**346,953**	**6,311,347**			**6,401,761**	**1,224,035**

**The employer's 20% contribution for preference share plans was calculated based on the unit fair value of the shares as estimated at the grant date.*

In accordance with IFRS 2 – Share-based Payment, the Group recognizes an expense for the fair value of the preference shares granted to employees. This expense is deferred and recognized over the vesting period of the shares. The corresponding entry is recognized in equity or as a liability depending on whether the share-based payment award will be settled in equity or cash. In the first case (i.e., for equity-settled awards), the fair value of the instruments is measured at the grant date and is not remeasured thereafter. In the second case (for cash-settled awards) the fair value of the instruments is remeasured at each reporting date until the share-based payment award is settled.
In view of the terms and conditions for settling the ADPR C2 preference share plans within the Kapla Group, these plans have been qualified as equity instruments.

	2022	2021
Preference shares outstanding at Jan. 1	6,311,347	5,437,092
Granted during the year	-	931,755
Canceled	-	(57,500)
Forfeited	-	-
Total free preference shares outstanding at Dec. 31	6,311,347	6,311,347

The weighted average fair value of the shares granted was calculated at the grant date using a Monte Carlo-type simulation model. For the ADPR C2 preference share plans, the dividend rate applied was 3%. The fair values at the grant date took into account expected dividends, with the valuation reduced by the present value of dividends expected to be paid during the vesting period.

The volatility rate applied for the four-year vesting period was 39.5% and the 4-year risk-free rate used was -0.57%.

Other instruments

The Group has also granted other instruments to managers that fall within the scope of IFRS 2:

- C1 preference shares: granted and paid at fair value (calculated by an independent valuer). These shares do not carry voting rights. However, they entitle their holders to a share of the Company's distributed profit and its Net Liquidation Assets, as provided for, and only as provided for, in Article 22 (Appropriation of profit) and Article 25 (Dissolution – Liquidation) of the Company’s bylaws.

- TF preference shares linked to issued convertible bonds (bonds convertible into TF preference shares). Granted to financial investors and managers (2%). These shares entitle their holders to a priority, cumulative and exclusive share of the Company's distributed profit and its Net Liquidation Assets, as provided for, and only as provided for, in Article 22 (Appropriation of profit) and Article 25 (Dissolution - Liquidation) of the Company’s bylaws. The TF preference shares would be automatically converted into ordinary shares in the event of an IPO.

No IFRS 2 share-based payment expense has been recognized for these instruments as they are qualified as equity-settled transactions and the instruments were purchased by their beneficiaries at fair value at the grant date.

NB: the ADPR C1 and ADPR TF instruments mentioned above are not held exclusively by Group managers.

Note 7 Goodwill, intangible assets and property, plant and equipment

7.1 GOODWILL

Accounting policies

The accounting policies applicable to goodwill are set out in *Note 3.2.5, Business combinations and asset acquisitions.*

Goodwill recognized in local currency is not amortized but is tested for impairment annually or more frequently when a triggering event (impairment indicator) occurs. For the purpose of impairment testing, goodwill is allocated to the Cash Generating Units or groups of Cash Generating Units that are expected to benefit from the business combination giving rise to the goodwill.

A Cash Generating Unit (CGU) is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. Goodwill is allocated by operating segment.

The Group's CGUs correspond to individual countries for international operations and to general and specialty rentals for France. The Group counted eight CGUs at December 31, 2022 (six at December 31, 2021).
CGUs are grouped together by country, excluding France and Denmark, and tested for goodwill at international level. This group of CGUs corresponds to the Group's International operating segment, which represents the lowest level at which goodwill is monitored for internal management purposes.

Impairment testing consists of comparing the carrying amount of the CGU or group of CGUs with its recoverable amount, which corresponds to the higher of its fair value less costs of disposal and its value in use. Value in use is determined based on the present value of the future cash flows expected to be derived from the CGU. An impairment loss is recognized in the income statement when the carrying amount of a CGU exceeds its recoverable amount.

Impairment of goodwill cannot be reversed.

Impairment of goodwill is recognized under "Non-recurring operating income and expenses" *(See Note 4.6, Non-recurring operating income and expenses).*

Impairment testing methods used are described in *Note 7.4, Impairment of non-current assets*.

The impairment testing carried out by CGU or group of Cash Generating Units in accordance with the method described above did not require the recognition of any impairment losses against goodwill for the year to December 31, 2022. In 2021, no impairment of goodwill was recognized following impairment testing.

Movements in goodwill in 2022 and 2021 were as follows:

In € millions	2022	2021
Carrying amount at Jan. 1	**813.8**	**769.0**
Acquisitions during the year	132.6	44.8
Currency translation differences	0.0	0.0
Carrying amount at Dec. 31	**946.4**	**813.8**
O/w impairment at Dec. 31	*0.0*	*0.0*

Changes in goodwill in 2022 were mainly attributable to acquisitions, which increased goodwill by a total of €132.6 million (i.e., GSV and Holbæk in Denmark, Grupo Vendap in Portugal, Aerotecnica in Italy and Jamart location in Specialty rentals).

The main reason for the overall increase in goodwill in 2021 was the acquisition of new companies, which had an aggregate €45.3 million positive effect (La Centrale de Location, Jean Bart de Location, Salmat and AB Matériels in France, and Diaz Miqueles and Diaz Miqueles Montajes in Spain).

Goodwill breaks down as follows by operating segment:

In € millions	Dec. 31, 2022	Dec. 31, 2021
France – General rentals	556.4	555.6
France – Specialty rentals	68.1	42.4
International	322.0	215.8
GOODWILL	946.4	813.8

IFRS 3 disclosures

The purchase price, net assets acquired and acquisition-related expenses for companies acquired after December 31, 2022 are as follows:

In € millions	Purchase price	Net assets acquired	Acquisition-related expenses
GSV	190.1	108.6	3.4
Hoelbaek Lift	10.8	8.2	0.4
Groupo Vendap	64.4	1.6	1.2
Aerotecnica	12.4	6.6	0.2
Jamart	36.4	10.7	0.3

Subject to the final allocation of the purchase price for these companies, the goodwill recognized for them is justified by their expected development following their integration into the Group.

GSV

On April 7, 2022, Kiloutou acquired GSV, Denmark's leading equipment rental company, for a purchase price of €190,152,825. Founded in 1964, GSV is the uncontested market leader in Denmark with an estimated market share of 22% at the acquisition date.

With 497 employees and 19 branches throughout Denmark, GSV serves small to large national customers in the construction and civil engineering industries and the public sector. GSV reported revenue of approximately €130 million in 2021.

Following signature of the "Share Purchase Agreement" on March 17, 2022, between Kiloutou and the vendors, which are mainly investment funds (e.g., CataCap), Kiloutou acquired 100% of the shares of GSV.

The purpose of this acquisition is for Kiloutou to strengthen its international presence.

The operation was financed by €150 million of debt. Costs relating to this operation amounted to €6.0 million.

Grupo Vendap

Kiloutou acquired Grupo Vendap, Portugal's No. 1 equipment rental company on November 2, 2022. Following the signature of the "Share Purchase Agreement" at end-September 2022 between Kiloutou and the sellers – which were mainly investment funds – Kiloutou acquired all of Grupo Vendap's shares. As this acquisition was carried out so recently, the initial goodwill has not yet been calculated.

Holbæk Lift

The Group acquired Holbæk Lift for €11.9 million. €10 million of the purchase price was financed by debt and the acquisition-related expenses totaled €0.4 million.

Revenue and profit related to the acquired companies

The operations of the above newly acquired companies are not reflected in the Group's revenue and profit figures for the period from January 1, 2022 to the acquisition date.

If the acquisitions carried out in 2022 had taken place on January 1, 2022, the combined revenue and profit for the year ended December 31, 2022 would have been as follows:

In € millions	Revenue	Profit
Kiloutou Group	**1,017.7**	**23.9**
2022 acquisitions	**106,0**	**18.4**
Acquisition of GSV	39.8	3.5
Acquisition of Holbæk Lift	3.2	1.0
Grupo Vendap	41.6	10.4
Aerotecnica	6.6	0.7
Jamart	14.8	2.8
Total	**1,123.7**	**42.3**

These amounts were calculated by adding the revenue and profit figures presented in the acquired companies' individual financial statements to the corresponding figures reported in the Group's 2022 consolidated income statement.

Calculation of GSV goodwill:

	Dec. 31, 2022 GSV
In €	
Purchase price at the transaction closing (A)	190,152,825
Proportionate share of net assets remeasured at fair value (B)	63,410,310
Valuation of brand (C)	80,658,171
Valuation of customer relationship (D)	37,640,480
Provisional goodwill (A)-(B+C+D)	8,417,632
Cash acquired	10,453,172

The above goodwill has been calculated on a provisional basis and may be adjusted during the measurement period (up to 12 months following the acquisition date), as part of the process of identifying and measuring the identifiable assets acquired and liabilities assumed, any non-controlling interests and the consideration transferred.

7.2 INTANGIBLE ASSETS

Accounting policies

Intangible assets consist mainly of software acquired or developed internally, acquired trademarks and customer relationships.

Following Kapla Holding's acquisition of the Kiloutou Group, the intangible asset analysis carried out identified that the following assets have a value: (i) the Kiloutou trademark, and (ii) customer relationships, in view of the significant amount of recurring revenue generated with customers over several years.

The value of the Kiloutou trademark was determined using the relief-from-royalty method (by capitalizing future royalties to infinity based on the assumption of a 1.5% annual growth rate and a post-tax discount rate of 8.1%). This intangible asset has an indefinite useful life.

The value of customer relationships was calculated by CGU, using detailed management analyses provided by Group Management. Based on these management analyses, "customer relationships" intangible assets were identified for the following CGUs: France – General rentals, International and France – Specialty rentals. The intangible assets recognized for these customer relationships are being amortized on a straight-line basis over a period of ten years,

The useful lives of the Group's main assets are as follows:

- Software: 1 to 5 years
- Customer relationships: 10 years

Intangible assets acquired separately by companies in the Group's scope of consolidation are recognized at cost, and those acquired through a business combination are recognized at fair value. Trademarks created and developed internally are not recognized in the statement of financial position. Only acquired trademarks that are identifiable, well known, and whose fair value can be reliably measured are carried in the statement of financial position, at the value determined at the date they are acquired.

Intangible assets with an indefinite useful life are not amortized but are tested for impairment at least once a year or whenever an event occurs that could affect their carrying amounts.

Intangible assets are carried at cost less any accumulated amortization and impairment losses.

Intangible assets are considered as having finite useful lives and are amortized on a straight-line basis over their estimated useful lives.

Intangible assets recognized in the consolidated statement of financial position break down as follows:

	Dec. 31, 2022			Dec. 31, 2021
In € millions	Gross value	Amortization and impairment	Carrying amount	Carrying amount
Trademarks	421.1	(0.4)	420.7	340.0
Customer relationships	184.6	(75.0)	109.6	88.2
Concessions, patents & similar rights	33.8	(26.1)	7.7	3.9
Intangible assets in progress	8.9	0.0	8.9	5.6
Other	0.2	(0.6)	(0.4)	0.5
OTHER INTANGIBLE ASSETS	648.6	(102.1)	546.5	438.2

Movements in intangible assets in 2022 and 2021 were as follows:

2022

In € millions	Trademarks	Customer relationships	Concessions, patents & similar rights	Intangible assets in progress	Other	Total
GROSS VALUE AT JAN. 1, 2022	340.4	147.0	23.7	5.6	0.5	517.3
Accumulated amortization and impairment losses	(0.4)	(58.8)	(19.8)	0.0	(0.1)	(79.1)
CARRYING AMOUNT AT JAN. 1, 2022	340.0	88.2	3.9	5.6	0.4	438.2
Changes in scope of consolidation	80.7	37.7	3.4	0.4	0.0	122.2
Acquisitions	0.0	0.0	1.5	4.5	0.0	6.0
Disposals	0.0	0.0	0.0	0.0	(0.1)	(0.1)
Impairment losses	0.0	0.0	0.0	0.0	0.0	0.0
Amortization	0.0	(16.1)	(3.0)	0.0	0.0	(19.1)
Currency translation differences	0.0	(0.1)	0.0	0.0	0.0	(0,1)
Other movements	0.0	0.0	1.8	(1.6)	(0.8)	(0.6)
CARRYING AMOUNT AT DEC. 31, 2022	420.7	109.6	7.7	8.9	(0.4)	546.5

2021

In € millions	Trademarks	Customer relationships	Concessions, patents & similar rights	Intangible assets in progress	Other	Total
GROSS VALUE AT JAN. 1, 2021	340.4	147.0	21.0	2.7	0.5	511.6
Accumulated amortization and impairment losses	(0.4)	(44.1)	(17.9)	0.0	0.0	(62.5)
CARRYING AMOUNT AT JAN. 1, 2021	340.0	102.9	3.1	2.7	0.5	449.2
Acquisitions	0.0	0.0	1.8	3.7	0.0	5.5
Disposals	0.0	0.0	0.0	0.0	0.0	0.0
Impairment losses	0.0	0.0	0.0	0.0	0.0	0.0
Amortization	0.0	(14.6)	(1.9)	0.0	(0.1)	(16.6)
Currency translation differences	0.0	0.0	0.0	0.0	0.0	0.0
Reclassifications	0.0	0.0	0.9	(0.8)	0.0	0.0
CARRYING AMOUNT AT DEC. 31, 2021	340.0	88.3	3.9	5.6	0.4	438.2

7.3 PROPERTY, PLANT AND EQUIPMENT

Accounting policies

Property, plant and equipment acquired in a business combination is recognized at fair value (see *Note 3.2.5, Business combinations and asset acquisitions)*.

Property, plant and equipment acquired other than in a business combination is carried at cost less any accumulated depreciation and impairment losses, with the exception of land, which is carried at cost less any impairment losses The various components of property, plant and equipment are recognized separately when their estimated useful lives and therefore their depreciation periods are significantly different. The cost of an item of property, plant and equipment includes the expenses that are directly attributable to its acquisition.

With the exception of land, property, plant and equipment is depreciated on a straight-line basis over its useful life, usually to zero, from the date it is brought into service, using a component approach.

The useful lives of the Group's main categories of property, plant and equipment are as follows:

- Buildings: 20 years
- Leasehold improvements, fixtures and fittings: 4 to 10 years
- Elevation equipment: 3 to 9 years
- Earth-moving equipment: 3 to 9 years
- Other equipment: 3 to 10 years
- Vehicles: 3 to 5 years
- Office and IT equipment: 3 to 6 years
- Furniture: 3 to 10 years

Subsequent costs are included in the carrying amount of an item of property, plant and equipment or recognized as a separate component, where applicable, if the asset recognition criteria are met. These recognition criteria are (i) it is probable that future economic benefits associated with the asset will flow to Kapla Holding or one of the companies in its scope of consolidation, and (ii) the cost of the asset can be measured reliably. All other repair and maintenance costs are recognized in profit or loss as incurred.

Property, plant and equipment can be analyzed as follows:

	Dec. 31, 2022			Dec. 31, 2021
In € millions	Gross value	Depreciation and impairment	Carrying amount	Carrying amount
Land and buildings	227.3	(132.7)	94.7	86.2
Rental equipment	1,929.9	(1,212.0)	717.9	489.7
Operating lease rights of use	562.1	(377.2)	184.8	150.5
Other property, plant and equipment	172.9	(104.7)	68.3	24.6
PROPERTY, PLANT AND EQUIPMENT	2,892.2	(1,826.6)	1,065.6	751.0

Movements in property, plant and equipment in 2022 and 2021 were as follows:

2022

In € millions	Land and buildings	Rental equipment	Operating lease rights of use	Other property, plant and equipment	Total
GROSS VALUE AT JAN. 1, 2022	206.3	1,428.1	456.0	87.7	2,178.1
Accumulated depreciation and impairment losses	(120.1)	(938.4)	(305.3)	(63.0)	(1,426.8)
CARRYING AMOUNT AT JAN. 1, 2022	86.2	489.7	150.5	24.6	751.0
Changes in scope of consolidation	4.6	151.8	46.4	43.5	246.3
Acquisitions	13.5	266.2	54.0	13.4	347.1
Disposals	0.5	(6.0)	(1.9)	(0.9)	(8.3)
Impairment losses	0.0	0.0	0.0	0.0	0.0
Additions to/reversals of depreciation expense	(10.2)	(182.8)	(64.1)	(12.5)	(269.6)
Currency translation differences	0.0	(0.4)	(0,1)	0.0	(0.5)
Other movements	0.1	(0.6)	0.0	0.2	(0.3)
CARRYING AMOUNT AT DEC. 31, 2022	94.7	717.9	184.8	68.3	1,065.6

2021

In € millions	Land and buildings	Rental equipment	Operating lease rights of use	Other property, plant and equipment	Total
GROSS VALUE AT JAN. 1, 2021	192.7	1,337.8	433.1	81.8	2,045.5
Accumulated depreciation and impairment losses	(108.5)	(826.4)	(300.2)	(57.1)	(1,292.2)
CARRYING AMOUNT AT JAN. 1, 2021	84.2	511.4	133.0	24.7	753.2
Acquisitions	7.9	116.2	60.8	7.7	192.7
Disposals	0.0	(5.4)	(0.2)	(0.1)	(5.8)
Impairment losses	0.0	0.0	0.0	0.0	0.0
Depreciation	(8.4)	(156.3)	(49.1)	(7.6)	(221.5)
Currency translation differences	0.0	(0.2)	0.0	0.0	(0.2)
Reclassifications and changes in scope of consolidation	2.6	24.1	6.0	0.0	32.6
CARRYING AMOUNT AT DEC. 31, 2021	86.2	489.7	150.5	24.6	751.0

LEASES: IFRS 16

Accounting policies

IFRS 16 requires all leases to be recognized in the lessee's statement of financial position as a right-of-use asset with a corresponding financial liability. The leases identified by the Group where it is a lessee mainly concern the leasing of movable assets (rental fleet) and, to a lesser extent, real estate (branches, headquarters, etc.), vehicles, rental equipment and other equipment.

The Group has used the recognition exemptions available in IFRS 16 for (i) short-term leases (leases that, at the commencement date, have a term of 12 months or less), and (ii) leases for which the underlying asset is of low value.

Identification of leases

At inception of a contract, the Group assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if it conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

In assessing whether a contract conveys the right to control the use of an identified asset, the Group determines whether:

- The leased asset is explicitly or implicitly identified in the contract and is physically distinct or is a physically distinct portion of an asset.
- The supplier of the identified asset does not have a substantive right to substitute the asset.
- The Group has the right to obtain substantially all of the economic benefits from the use of the asset throughout the period of use.
- The Group has the right to direct the use of the asset.

In accordance with IFRS 16, leases are recognized in the statement of financial position in the form of a right of use of the leased asset ("right-of-use asset") and a financial liability ("lease liability") for the lease payments and other payments to be made during the lease term used to measure the lease liability.

The right-of-use asset is depreciated on a straight-line basis and the lease liability is measured on an amortized cost basis over the term of the lease. Interest expense on the lease liability is recorded in the income statement under "Cost of net debt related to equipment and logistics" and the depreciation expense on the right-of-use asset is recorded in the income statement under "Depreciation, amortization and impairment".

For leases contracted in 2022, the discount rate used is 5.7% for regular "3/6/9 year" commercial leases in France and for equipment leases of more than three years. A discount rate of 2.2% was used for short-term equipment leases (most have a term of less than 3 years).

At the commencement of a lease, the lease liability is recognized at an amount equal to the present value of the lease payments that are not paid at that date, including payments related to options that the lessee is reasonably certain to exercise. The lease term used to calculate the lease liability is determined following an economic analysis of any early termination, extension, renewal and purchase options for the underlying asset included in the non-cancelable period of the lease. Following initial recognition, the lease liability is subsequently measured at amortized cost using the effective interest method. Its carrying amount is increased to reflect interest on the lease liability and is reduced to reflect the lease payments made.

The Group's lease portfolio in France mainly comprises "3/6/9 year" commercial leases. For these leases, Kiloutou Group has generally applied a nine-year operating term in accordance with the Group's own economic analyses. For commercial leases that are automatically renewable (after the nine-year period), the Group includes an additional period of use of approximately 24 months.

The Group carries out sale and leaseback transactions. Under these transactions, SCI Kiloutou Immobilier buys land and builds branch offices on it, which together form a real estate complex. It sells the real estate complex to HLD (or another Kapla Holding shareholder) after it has built the branches. The sale is carried out at a price deemed close to the market price. The Group considers that control of the real estate asset is transferred to the purchaser and that the transaction therefore constitutes a sale of the real estate asset to the purchaser. The Group then leases the real estate from the purchaser.

7.4 IMPAIRMENT OF NON-CURRENT ASSETS

Accounting policies

IAS 36 – Impairment of Assets, sets out the procedures that a company is required to follow to ensure that the carrying amounts of its property, plant and equipment, including right-of-use assets, and intangible assets, including goodwill, do not exceed their recoverable amounts, i.e., the amounts that will be recovered through their use or sale.

The recoverable amount of an asset is defined as the higher of its fair value less costs of disposal and its value in use.

Fair value less costs of disposal corresponds to the amount that would be received to sell an asset in an orderly transaction between market participants at the measurement date, less costs of disposal. Value in use is the present value of the future cash flows expected to be derived from continuing use of an asset and from its ultimate disposal.

Future cash flows are estimated based on business plans or budgets drawn up for the period until 2027, with a terminal value calculated by applying a constant growth rate of 1.5% (inflation rate). They are discounted based on post-tax long-term market rates that reflect current market assessments of the time value of money and the risks specific to the assets.

For property, plant and equipment (including right-of-use assets) and intangible assets (including goodwill), the recoverable amount is tested as soon as there is an indication that the asset may be impaired. These tests are also carried out once a year (in practice at December 31 in order to take account of the seasonal nature of the business) for assets with an indefinite useful life.

Cash flows are discounted at the post-tax weighted average cost of capital, plus a risk premium specific to each country.

No impairment was recognized either in 2022 or 2021.

The following after-tax discount rates were used for each group of assets in 2022: 9.19% for CGUs in France, 9.63% for CGUs in Denmark and between 8.92% and 10.84% for International CGUs.

The post-tax discount rates used for each group of assets in 2021 were 8.15% for the Group's CGUs in France and 8.65% for International CGUs.

The Kiloutou trademark, recognized as an intangible asset, is not amortized but is tested for impairment at least once a year.

Goodwill and intangible assets with an indefinite useful life must be systematically tested for impairment at least once a year. Other assets are tested whenever there is an indication that they may be impaired (e.g., a decrease in revenue, cash flows or profitability). For the purpose of these tests, the assets are grouped together into Cash Generating Units (CGUs). A CGU is the smallest group of assets which includes the assets to be tested for impairment that generates cash flows that are largely independent from those generated by other groups of assets. Assets are broken down into CGUs for France General rentals, France Specialty rentals and a CGU for each country for international operations outside of Denmark.

For goodwill, annual impairment testing is performed at CGU level on France General rentals, France Specialty rentals, Denmark and the International CGU covering other countries. For trademarks and support assets that cannot be fully allocated to a single group of assets, impairment tests are

performed at the higher level (segment, group of CGUs etc.).

The rates used were as follows:

	Pivot value used			
Pivot value used	WACC	CoE	Growth rate	Headr./ badwill
Kiloutou				853
General rentals CGU	9.19%	11.68%	1.88%	57
Specialty rentals CGU	9.19%	11.68%	1.88%	252
Denmark CGU	9.63%	12.01%	2.32%	197
International group of CGUs				347
Poland	10.84%	13.53%	2.71%	
Germany	8.92%	11.40%	1.83%	
Italy	10.17%	13.11%	2.00%	
Spain	9.30%	11.89%	1.73%	
Portugal	9.90%	12.45%	2.19%	

	Discount rate = +0.1%		Growth rate = -0,2% Discount rate = +0.5%	
Sensitivity analysis		Headr./ badwill		Headr./ badwill
Kiloutou		823		642
General rentals CGU		44		(24)
Specialty rentals CGU		248		226
Denmark CGU		193		169
International group of CGUs		347		271

Note 8 Equity and earnings per share

8.1 EQUITY

Share capital and share premium

Kapla Holding's share capital at December 31, 2022 was €5,106,730, divided into 509,808,254 shares with a par value of €0.01 each.

There were no movements in share capital in the year ended December 31, 2022:

Date	Share capital (in €)	Legal reserve (in €)	Share premium (in €)	Number of shares	Par value (in €)
December 31, 2021	5,106,730	-	484,883,955	509,808,254	0.01
December 31, 2022	5,106,730	-	484,883,955	509,808,254	0.01

Ownership structure in 2022 and 2021

The Company's ownership structure was as follows at December 31, 2022 and 2021:

(in number of shares)	2022	2021
Ordinary shares	93,237,241	93,237,241
Preference shares*	416,571,013	416,571,013
Number of shares representing the share capital at Jan. 1	**509,808,254**	**509,808,254**
Ordinary shares	93,237,241	93,237,241
Preference shares	416,571,013	416,571,013
Number of shares representing the share capital at Dec. 31	**509,808,254**	**509,808,254**

* See Note 6.4 for a description of the preference share plans.

Kapla Holding was majority-owned by Dentressangle at both December 31, 2022 and 2021.

When the preference shares vest, a 20% employer's contribution will be payable to the French payroll tax authorities (URSSAF) and a corresponding liability will need to be recognized. This expense will be deferred over the year in which the preference shares vest (see Note 6.4 for a description of the Group's preference share plans).

Reserves

No dividend was paid in 2022 for fiscal 2021.

Currency translation differences

Currency translation differences (attributable to owners of the parent) represented a €0.2 million unrealized gain at December 31, 2022 (versus a €0.2 million unrealized gain at December 31, 2021). These amounts related to changes in the Polish zloty exchange rate.

Note 9 Other provisions and contingent liabilities

9.1 OTHER PROVISIONS

Accounting policies

In accordance with IAS 37, provisions are recognized when the Group has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

This obligation may be legal, regulatory or contractual and the amounts of the provisions are determined based on their nature and the most probable assumptions.

Provisions are discounted if the impact is deemed material and the discounting effect is recognized in operating income.

Provisions for restructuring costs are recorded when a consolidated entity has a detailed formal plan for the restructuring and those affected by the plan have been notified of it.

Provisions that form part of the Group's normal business cycle, as well as the short-term portion of other provisions, are classified as current liabilities. Provisions that do not meet these criteria are classified as non-current liabilities.

The provisions recognized at December 31, 2022 mainly reflected the following:

- Provisions for claims and litigation, intended to cover the risks incurred by the Group in connection with disputes with third parties.

- Provisions for restoring assets used under operating leases (utility vehicles and earth-moving vehicles).

- Other provisions for contingencies and charges. At December 31, 2022, this item mainly comprised provisions for risks related to employee tribunals and legal, tax and real estate disputes.

In € millions	Provisions for claims and asset restoration	Other provisions	Total
At January 1, 2021	**6.5**	**0.6**	**7.2**
Increases	0.2	0.0	0.2
Utilizations	(0.2)	(0.1)	(0.3)
Reversals	0.0	0.0	0.0
Changes in scope of consolidation	(0.2)	0.2	(0.1)
Transfers	(0.2)	0.0	(0.2)
Currency translation differences	0.0	0.0	0.0
At December 31, 2021	**6.1**	**0.7**	**6.9**
Non-current	6.1	0.7	6.9
Current	0.0	0.0	0.0
Total provisions	**6.1**	**0.7**	**6.9**
At January 1, 2022	**6.1**	**0.7**	**6.9**
Increases	1.8	0.0	1.8
Utilizations	(0.2)	0.0	(0.2)
Reversals	0.0	0.0	0.0
Changes in scope of consolidation	3.0	0.0	3.0
Transfers	0.0	0.0	0.0
Currency translation differences	0.0	0.0	0.0
At December 31, 2022	**10.8**	**0.7**	**11.5**
Non-current	10.8	0.7	11.5
Current	0.0	0.0	0.0
Total provisions	**10.8**	**0.7**	**11.5**

9.2 CONTINGENT LIABILITIES

Accounting policies

Group companies may be involved in litigation or disputes arising in the normal course of their operations, including disputes with tax authorities.

No exceptional circumstances or disputes had been identified at December 31, 2022 that could have a material impact on the revenue, earnings, assets or financial position of Kapla Holding and/or its subsidiaries for which the provisions estimated as necessary had not been recognized at the reporting date.

Note 10 Financing and financial instruments

Accounting policies

Financial assets are classified in three categories: assets at fair value through other comprehensive income (OCI), assets at fair value through profit or loss, and assets carried at amortized cost. The classification and measurement of financial assets is determined based on two criteria: the entity's business model for managing the financial asset and the contractual cash flow characteristics of the financial asset. Financial liabilities are classified in the following categories: financial liabilities at fair value through profit or loss, and liabilities carried at amortized cost. Management analyzes and classifies financial assets and liabilities on initial recognition based on their characteristics.

	Carrying amount at Dec. 31, 2022 under IFRS 9			Dec. 31, 2022
In € millions	Amortized cost	At fair value through OCI	At fair value through profit or loss	Carrying amount
ASSETS				
Non-current financial assets	6.8		52.1	58.9
Trade and other receivables	281.4			281.4
Current financial assets			7.7	7.7
Cash and cash equivalents			78.3	78.3
LIABILITIES				
Long-term debt	1,386.3			1,386.3
Non-current lease liabilities	395.8			395.8
Other long-term provisions	11.5			11.5
Non-current financial instruments			25.9	25.9
Short-term debt	90.0			90.0
Current lease liabilities	179.4			179.4
Trade and other payables	286.7			286.7

In € millions	Carrying amount at Dec. 31, 2021 under IFRS 9			Dec. 31, 2021
	Amortized cost	At fair value through OCI	At fair value through profit or loss	Carrying amount
ASSETS				
Non-current financial assets	4.6		2.9	7.5
Trade and other receivables	181.9			181.9
Cash and cash equivalents			114.3	114.3
LIABILITIES				
Long-term debt	1,136.8			1,136.8
Non-current lease liabilities	257.1			257.1
Other long-term provisions	6.9			6.9
Non-current financial instruments			10.7	10.7
Short-term debt	23.5		1.5	25.0
Current lease liabilities	131.1			131.1
Trade and other payables	188.0			188.0

IFRS 13 requires entities to classify financial instruments using a “fair value hierarchy” based on the inputs used to measure the fair value of each instrument. The hierarchy categories are as follows:

- Level 1: fair value measured by direct reference to quoted prices (not adjusted) available in active markets for identical assets or liabilities.
- Level 2: fair value measured based on inputs other than quoted prices included in Level 1 that are either directly or indirectly observable for the asset or liability.
- Level 3: fair value measured using valuation techniques based on non-observable inputs.

Derivative instruments (in particular interest rate swaps) are classified as at fair value through profit or loss.

Change in fair value of financial instruments in 2022:

In € millions	Interest rate swaps	Diesel swaps	Conversion options	Financial instruments
Fair value hierarchy level	Level 1	Level 1	Level 3	
Fair value at beginning of year	(9.5)	0.3	(0.1)	(9.3)
Change in fair value through OCI	-	-	-	
Change in fair value through profit or loss	43.4	(0.3)	0.1	43.2
Fair value at year-end	33.9	0.0	0.0	33.9
Financial instruments recorded under assets	59.8	-	-	59.8
Financial instruments recorded under liabilities	25.9	-	-	25.9

Changes in fair value of financial instruments in 2021:

In € millions	Interest rate swaps	Diesel swaps	Conversion options	Financial instruments
Fair value hierarchy level	Level 1	Level 1	Level 3	
Fair value at beginning of year	(22.0)	0.1	0.0	(21.9)
Change in fair value through OCI	-	-	-	
Change in fair value through profit or loss	12.4	0.2	0.0	12.6
Fair value at year-end	(9.5)	0.3	(0.1)	(9.3)
Financial instruments recorded under assets	2.6	0.3	-	2.9
Financial instruments recorded under liabilities	12.2	-	0.1	12.2

10.1 DEBT AND LEASE LIABILITIES

Covenants linked to the new high-yield bond financing

The bond financing set up on December 12, 2019 requires the Group to comply with several bank covenants. These covenants are mainly designed to set a framework for any new borrowings or one-off payments outside the scope of the Group's ordinary, recurring activities.
The Group complied with all of these covenants at December 31, 2022 and at December 31, 2021.

10.1.1 Debt

The Group's debt breaks down as follows:

2022

In € millions	At Dec. 31, 2021	Changes with cash impact	Capitalized interest	Changes in scope of consolidation	Exchange rate impact	Other	At Dec. 31, 2022
Bonds	1 086.3	0.0	21.4	0.0	0.0	(1.8)	1 105.9
Long-term borrowings	49.8	(75.2)	275.0	25.3	(0.8)	(1.8)	272.3
State-guaranteed loans	0.7	0.0	0.0	7.5	0.0	(0.1)	8.1
Long-term debt	**1 136.8**	**(75.2)**	**296.4**	**32.8**	**(0.8)**	**(3.7)**	**1 386.3**
Bonds	1.3	2.0	0.0	0.0	0.0	0.0	3.2
Short-term borrowings	21.8	63.0	0.0	0.0	0.0	0.0	84.8
State-guaranteed loans	1.9	0.0	0.0	0.0	0.0	0.0	1.9
Bank overdrafts	0.1	(0.1)	0.0	0.0	0.0	0.0	0.0
Short-term bank loans and other borrowings used to finance rental equipment	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Short-term debt	**25.0**	**64.9**	**0.0**	**0.0**	**0.0**	**0.0**	**90.0**

2021

In € millions	At Dec. 31, 2020	Changes with cash impact	Capitalized interest	Changes in scope of consolidation	Exchange rate impact	Other	At Dec. 31, 2021
Bonds	1,064.7	1.4	19.3	0.0	0.0	1.0	1,086.3
Long-term borrowings	16.9	32.8	0.0	1.8	0.0	(1.8)	49.8
State-guaranteed loans	0.7	(7.6)	0.0	0.0	0.0	7.7	0.7
Long-term debt	**1,082.3**	**26.5**	**19.3**	**1.8**	**0.0**	**6.9**	**1,136.8**
Bonds	1.3	0.0	0.0	0.0	0.0	0.0	1.3
Short-term borrowings	139.2	(117.2)	0.0	10.8	(0.1)	(10.8)	21.8
State-guaranteed loans	0.4	1.5	0.0	0.0	0.0	0.0	1.9
Bank overdrafts	0.1	(0.0)	0.0	0.0	0.0	0.0	0.1
Short-term bank loans and other borrowings used to finance rental equipment	0.0	(1.9)	0.0	0.0	(0.0)	1.9	0.0
Short-term debt	**140.9**	**(117.6)**	**0.0**	**10.8**	**(0.1)**	**(8.9)**	**25.0**
TOTAL DEBT	1,223.2	(91.1)	19.3	12.6	(0.1)	(2.0)	1,161.9

Analysis of debt by maturity:

2022

In € millions	At Dec. 31, 2022	Due within 1 year	Due between 1 and 5 years	Due beyond 5 years
Convertible bonds	252.2	0.0	0.0	252.2
Other bonds	853.7	1.6	852.1	0.0
Total bonds	**1,105.9**	**1.6**	**852.1**	**252.2**
Miscellaneous borrowings	362.2	88.4	273.8	0.0
Short-term bank borrowings	0.0	0.0	0.0	0.0
Borrowings from financial institutions	**362.2**	**88.4**	**273.8**	**0.0**
Employee profit-sharing	0.5	0.3	0.2	0.0
Other	7.6	7.6	0.0	0.0
Other borrowings other than from financial institutions	**8.1**	**7.9**	**0.2**	**0.0**
Total debt	1,476.3	97.9	1,126.1	252.2

2021

In € millions	At Dec. 31, 2021	Due within 1 year	Due between 1 and 5 years	Due beyond 5 years
Convertible bonds	231.2	0.0	0.0	231.2
Other bonds	855.1	1.3	853.9	0.0
Total bonds	**1,086.3**	**1.3**	**853.9**	**231.2**
Miscellaneous borrowings	73.2	21.8	51.4	0.0
Short-term bank borrowings	0.1	0.1	0.0	0.0
Borrowings from financial institutions	**73.3**	**21.9**	**51.4**	**0.0**
Employee profit-sharing	0.6	0.3	0.4	0.0

Other	1.6	0.1	0.0	0.0
Other borrowings other than from financial institutions	**2.2**	**1.9**	**0.4**	**0.0**
Total debt	1,161.9	25.0	905.6	231.2

Convertible bonds

Face value (in currency)	Year of issue	Maturity	Initial effective interest rate (%)	2022 (in € millions)	2021
EUR 165,000,000	Feb. 2018	10 years	9.09%	252.2	231.2
TOTAL BONDS AND NOTES				252.2	231.2

In February 2018, Kapla Holding – the holding company of the Kiloutou Group – issued 165 million bonds convertible into TF preference shares ("ADPR TF" convertible bonds) with a face value of €1 per bond.
These convertible bonds bear interest at a rate of 9.09% p.a. from the Issue Date until the date they are converted or redeemed.
The ADPR TF preference shares entitle their holders to a "cumulative priority amount" (see Article 22 of the Company's bylaws).
Based on an IFRS analysis of the convertible bonds, the Group identified a liability component and an equity component which is not material but has been recognized.

Reconciliation of total net debt (including lease liabilities)

In € millions	Dec. 31, 2022	Dec. 31, 2021
Convertible bonds	252.2	231.2
Other bonds	853.7	855.1
Long-term portion of bonds	1,105.9	1,086.3
Exclusion of convertible bonds	(252.2)	(231.2)
Long-term borrowings	313.9	49.8
Non-current lease liabilities	395.8	257.1
Non-current financial instruments	25.9	10.7
Current financial instruments	0	1.5
Short-term portion of bonds	1.6	1.3
Short-term borrowings	88.4	21.8
Bank overdrafts	0.0	0.1
Current lease liabilities	179.4	131.1
Gross borrowings	**1,858.7**	**1,328.4**
Cash and cash equivalents	78.3	114.3
O/w bank overdrafts	*0.0*	*0.1*
Net cash and cash equivalents	**78.3**	**114.4**
Other non-current financial assets	59.8	2.6
TOTAL NET DEBT	1,720.6	1,211.4

10.1.2 LEASE LIABILITIES

Lease liabilities break down as follows:

2022

In € millions	At Dec. 31, 2021	Changes with a cash impact	Changes in scope of consolidation	Exchange rate impact	Other	At Dec. 31, 2022
Lease liabilities – Finance leases	152.0	(3.6)	108.7	0.0	0.0	257.1
Lease liabilities – Residual value	7.7	(1.6)	0.0	0.0	0.0	6.1
Lease liabilities – Operating leases	97.4	31.9	44.3	0.0	(41.0)	132.6
Non-current lease liabilities	**257.1**	**26.7**	**153.0**	**0.0**	**(41.0)**	**395.8**
Lease liabilities (< one year)	131.1	7.3	0.0	0.0	41.0	179.4
Current lease liabilities	**131.1**	**7.3**	**0.0**	**0.0**	**41.0**	**179.4**
TOTAL LEASE LIABILITIES	388.2	34.0	153.0	0.0	0.0	575.2

2021

In € millions	At Dec. 31, 2020	Changes with cash impact	Changes in scope of consolidation	Exchange rate impact	Other	At Dec. 31, 2021
Lease liabilities – Finance leases	164.4	(38.1)	23.1	0.0	(4.3)	152.0
Lease liabilities – Residual value	11.2	(3.5)	0.0	0.0	0.0	7.7
Lease liabilities – Operating leases	92.4	40.7	1.7	0.0	(37.4)	97.4
Non-current lease liabilities	**268.1**	**(1.1)**	**24.8**	**0.0**	**(41.7)**	**257.1**
Lease liabilities (< one year)	133.5	(44.4)	0.3	0.0	41.7	131.1
Current lease liabilities	**133.5**	**(44.4)**	**0.3**	**0.0**	**41.7**	**131.1**
TOTAL LEASE LIABILITIES	401.6	(45.5)	25.1	0.0	0.0	388.2

10.2 FINANCIAL INCOME AND EXPENSES

In € millions	2022	2021
Income and expenses related to derivative financial instruments	40.7	6.5
Currency translation differences	0.0	0.0
Cost of discounting employee benefits	0.0	0.0
Cost of net debt related to lease liabilities	(8.0)	(9.0)
Cost of net debt related to other borrowings	(70.7)	(49.4)
Other financial expenses	0.0	(0.3)
FINANCIAL EXPENSE	(38.0)	(52.2)

10.3 MANAGEMENT OF FINANCIAL RISKS

In order to manage its interest rate risk, the Group holds a portfolio of derivative financial instruments consisting of interest rate swaps.

These instruments are contracted over the counter with leading counterparties.

They are recognized in the statement of financial position when they are contracted.

Transactions that had not been unwound at the end of the reporting period are marked to market using generally accepted valuation models and techniques and based on value assumptions supplied by market analysis firms or banks.

The Group analyzes the characteristics of its financial instruments based on its exposure to interest rate risk. The classification it uses for its derivatives (notably interest rate swaps) is financial instruments at fair value through profit or loss.

See *Note 10.5, Non-current financial instruments*.

Transactions carried out in 2022 and 2021:

The Group added to its portfolio of interest rate hedging instruments in 2022 and 2021.

The Group also set up specific hedges to protect it against its exposure to changes in fuel supply costs, in the form of gas oil swaps and diesel swaps. These instruments do not qualify as hedging instruments as there is no formal documentation of the hedging relationship.

	Nominal value	Interest rate range	Maturity	Fair value
Gas oil & Diesel swaps	-	300.95 - 318	Dec. 31, 2021	€0.0 million

10.4 NON-CURRENT FINANCIAL INSTRUMENTS

Accounting policies

The full fair value of a hedging derivative is recognized as a non-current asset or liability when the residual maturity of the hedged item exceeds 12 months and as a current asset or liability when the residual maturity of the hedged item is less than 12 months.

All derivative instruments held by the Group are classified in Level 1 of the fair value hierarchy.
As the Group has elected not to apply hedge accounting, it recognizes all changes in the fair value of swaps directly in financial income and expenses.

	Nominal amount	Nature of floating rate	Interest rate range	Maturity	Fair value
Fixed-rate lender	€2,010 million	3-to-6-month EURIBOR	-0.3% to +1.0%	2023 - 2026	€59.8 million
Variable-rate lender	€380 million	6-month EURIBOR	-0.213% to -0.233%	2019 - 2024	€(25.8) million

In terms of sensitivity analysis, the change in fair value of these instruments at the end of February 2023 is €35.7 million.

10.5 OTHER FINANCIAL ASSETS

In € millions	Dec. 31, 2022	Dec. 31, 2021
Other non-current financial assets	52.1	2.9
Financial assets carried at amortized cost	0.0	0.0
Deposits and advance payments	4.4	2.9
Other non-current investments	0.0	0.0
Loans (gross)	2.4	2.9
TOTAL NON-CURRENT FINANCIAL ASSETS	58.9	7.5
Current financial assets	0.0	0.0
Accrued interest receivable	0.0	0.0
Current accounts	0.0	0.0
TOTAL CURRENT FINANCIAL ASSETS	0.0	0.0

10.6 CASH AND CASH EQUIVALENTS

Accounting policies

Cash and cash equivalents correspond to short-term, highly liquid instruments such as marketable securities and bonds with original maturities of less than three months that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value. Financial instruments classified as cash and cash equivalents are carried at fair value through profit or loss.

In € millions	Dec. 31, 2022	Dec. 31, 2021
Cash at bank and in hand	59.2	102.0
Accrued interest	19.1	12.3
Cash and cash equivalents	**78.3**	**114.3**
CASH AND CASH EQUIVALENTS PRESENTED IN THE STATEMENT OF FINANCIAL POSITION	78.3	114.3

In € millions	Dec. 31, 2022	Dec. 31, 2021
Cash and cash equivalents	78.3	114.3
Bank overdrafts	0.0	0.0
CASH AND CASH EQUIVALENTS PRESENTED IN THE STATEMENT OF CASH FLOWS	78.3	114.3

Note 11 Income tax

11.1 TAX ASSETS AND LIABILITIES

Accounting policies

Deferred tax assets and liabilities are recognized for all temporary differences between the tax base of assets and liabilities and their carrying amounts, except when a deferred tax liability (i) arises from the initial recognition of goodwill that is not deductible for tax purposes, or (ii) relates to taxable temporary differences associated with investments in associates and interests in joint ventures when it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred taxes are calculated by the liability method, using the tax rates that are enacted or substantially enacted at the reporting date. The effect of changes in tax rates is recognized in profit or loss, except when the changes relate to items that were included directly in equity or other comprehensive income on initial recognition.

Both current and deferred taxes are recognized directly in equity or other comprehensive income when they relate to an item that on initial recognition was included in equity or other comprehensive income.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority. Deferred tax assets and liabilities are not discounted and are classified in the statement of financial position as non-current assets and liabilities.

Tax losses and other temporary differences only give rise to the recognition of a deferred tax asset when it is probable that they will be offset against future taxable profits within a reasonable period of time or when it is possible to offset them against deferred tax liabilities.

The income tax rates used for calculating deferred taxes are 25.82% for the French companies, 19% for the Polish companies, 25% for the Spanish subsidiaries, 24% for the Italian companies, and 26% for the German entities.

French CVAE tax

In France, the local economic contribution (*contribution économique territoriale* – CET) is split between a corporate value added tax (*cotisation sur la valeur ajoutée des entreprises* – CVAE) and a corporate real estate tax (*cotisation foncière des entreprises* – CFE).

The Group examined the accounting treatment applied to these two French taxes in line with IFRS, and decided to account for them separately from one another, as follows:

- The CFE tax, whose amount is based on property rental values, is recognized in operating expenses.
- The CVAE tax, which, following its analysis the Group considers meets the definition of income tax as set out in IAS 12.2 – Income Taxes, is included in “Income tax expense”.

Analysis of current tax assets and liabilities

In € millions	Dec. 31, 2022	Dec. 31, 2021
Current tax assets	**1.4**	**5.1**
Current tax liabilities	**168.7**	**129.5**
TOTAL	167.3	124.4

Analysis of deferred tax assets and liabilities

In € millions	Dec. 31, 2022			Dec. 31, 2021		
	Assets	Liabilities	Net	Assets	Liabilities	Net
Arising on temporary differences						
Intangible assets		132.6	132.6		110.5	110.5
Property, plant and equipment		(2.4)	(2.4)	(3.1)	5.1	8.2
Right-of-use assets	1.2	13.6	12.4	7.9	18.4	10.6
Employee benefits	0.6		(0.6)	0.5		(0.5)
Derivative instruments	0.8	9.6	8.8	2.4		(2.4)
Other and reclassifications	(1.2)	15.3	16.5	(3.2)	(4.5)	(1.3)
Arising on tax loss carryforwards				**0.7**		**(0.7)**
DEFERRED TAX ASSETS AND LIABILITIES	1.4	168.7	167.3	5.1	129.5	124.4

Unrecognized deferred taxes

For France, deferred taxes on tax loss carryforwards are recognized. They are recorded as a deduction from the overall deferred tax liability.
In view of the Group's business model, no deferred tax is recognized on non-deductible financial expenses that can be carried forward under the so-called ATAD mechanism.

Movements in deferred tax assets and liabilities

In € millions	2022	2021
Net deferred tax assets/liabilities at Jan. 1	**124.4**	**122.4**
Recognized in profit	5.3	2.0
Recognized in equity	0.0	0.0
Other movements	37.6	0.0
Net deferred tax assets/liabilities at Dec. 31	**167.3**	**124.4**

11.2 INCOME TAX EXPENSE

Analysis of income tax expense

In € millions	Year ended Dec. 31, 2022	Year ended Dec. 31, 2021
Current tax	(10.2)	(6.6)
CVAE	(3.9)	(3.6)
Deferred tax	(5.3)	(2,3)
INCOME TAX EXPENSE	(19.5)	(12.5)

Tax proof

In € millions	Year ended Dec. 31, 2022	2022 effective tax rate	Year ended Dec. 31, 2021	2021 effective tax rate
Pre-tax profit of consolidated companies	**43.4**		**25.8**	
Theoretical rate		**25.82%**		**25.82%**
Theoretical income tax expense	**(11.2)**		**(6.7)**	
Permanent differences				
ATAD cap and cap on non-deductible financial expenses	(8.2)		(7.9)	
CVAE tax	(3.9)		(3.6)	
Other (including additional depr./amort. expense introduced by the French government, unrecognized tax losses and impact of different tax rates)	3.8		5.7	
ACTUAL INCOME TAX EXPENSE	(19.5)		(12.5)	

Note 12 Other items in the statement of financial position

12.1 OTHER NON-CURRENT RECEIVABLES

This item includes prepaid expenses, derivatives used as hedges and other non-current receivables.

12.2 INVENTORIES AND WORK IN PROGRESS

The ownership or rights to use the inventory listed below are not subject to any major restrictions. Spare parts and consumables are measured based on the latest known prices, including incidental expenses. Provisions for impairment of inventories are determined based on turnover forecasts for each category of inventory. The inventory accounting method used is the “first in, first out” (FIFO) method.

In € millions	Dec. 31, 2022	Dec. 31, 2021
Goods for resale and raw materials (gross)	20.7	13.3
Spare parts	8.2	5.1
Goods and services in progress	9.3	8.8
Impairment of goods for resale and raw materials	(4.4)	(3.7)
Other	0.0	0.1
TOTAL INVENTORIES, NET	33.8	23.6

12.3 TRADE AND OTHER RECEIVABLES

Accounting policies

Trade receivables are amounts due from customers for services provided in the normal course of business. They are initially recognized based on the amount of the consideration expected and are subsequently measured at amortized cost less any impairment losses.

Impairment losses for receivables carried at amortized cost are measured using the expected credit loss (ECL) approach based on the credit risk of the customer concerned, with credit losses corresponding to the difference between the present value of expected future cash flows and the original contractual cash flows or the amount outstanding as recognized in the consolidated statement of financial position. A collective impairment loss is recognized for a group of assets if the assets within the group have similar credit risk characteristics.

A breakdown of the impairment losses recorded for trade receivables is provided in the table below.

Trade receivables of Kiloutou’s main French operating subsidiary represent 64% of the Group’s total trade receivables. For this subsidiary, receivables more than 90 days past due account for 10% of the overall gross amount. These receivables are tested for impairment as described above.

(in € thousands)	Dec. 31, 2022	Dec. 31, 2021
Amounts due from suppliers	2.9	2.8
Trade receivables	276.4	177.7
Impairment of doubtful receivables	(30.7)	(18.7)
Other tax receivables	11.2	8.4
Insurance settlements receivable	0.0	0.0
Prepayments	14.0	0.0
Employee-related receivables	6.4	11.2
Deposits and other receivables	1.2	0.5
TOTAL TRADE AND OTHER RECEIVABLES	281.4	181.9

The Kiloutou Group has put in place a credit management policy that allows it to assess the solvency of its customers. Unpaid balances are monitored, with regular reports and regular tracking of financial information related to customers. Provisions for write-offs of receivables are recorded at each month-end for amounts considered as irrecoverable.

All trade and other receivables are due within one year.

Movements in net trade and other receivables in 2022 and 2021 were as follows:

In € millions	2022	2021
Net trade and other receivables at Jan. 1	**181.9**	**163.8**
Impairment of doubtful receivables	(3.8)	(0.8)
Movements during the year	34.3	(2.8)
Changes in scope of consolidation	62.1	14.0
Receivables written off during the year	5.9	4.0
Reversal of impairment	0.0	0.0
Currency translation differences	(0.1)	(0.1)
Other movements	1.1	3.8
Net trade and other receivables at Dec. 31	**281.4**	**181.9**

12.4 TRADE AND OTHER PAYABLES

Trade payables are recognized at fair value, which corresponds to their nominal amount. All trade and other payables are due within one year.

In € millions	Dec. 31, 2022	Dec. 31, 2021
Trade payables	159.5	89.3
Amounts due to suppliers & prepayments	2.2	1.2
Accrued payroll and other taxes	98.4	80.7
Sundry short-term payables	26.6	17.7
Other	0.0	(0.8)
TOTAL TRADE AND OTHER PAYABLES	286.7	188.0
Current income tax payables	4.1	3.1

Note 13 Off-balance sheet commitments

13.1 COMMITMENTS GIVEN

As of December 31, 2022, commitments given totaled €1.8 million, breaking down as follows:

In € millions	Dec. 31, 2022	Dec. 31, 2021
Real-estate rent bonds	-	-
Pledges of bank accounts	860.4	860.7
Pledges of receivables	909.4	646.4
Pledges of business bases	1.2	1.6
Other guarantees given	20.8	5.8
TOTAL COMMITMENTS GIVEN	1,781.1	1,514.5

Related-party commitments – 2022:

In € millions	Shareholder current accounts	Convertible bonds	Interest on convertible bonds	Trade payables	Interest on convertible bonds	Management fees
	Statement of financial position	Statement of financial position	Statement of financial position	Statement of financial position	Income statement	Income statement
Related-party transactions	0.0	165.0	87.2	0.0	21.0	0.0

Related-party commitments – 2021:

In € millions	Shareholder current accounts	Convertible bonds	Interest on convertible bonds	Trade payables	Interest on convertible bonds	Management fees
	Statement of financial position	Statement of financial position	Statement of financial position	Statement of financial position	Income statement	Income statement
Related-party transactions	0.0	165.0	66.2	0.0	19.3	0.0

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Kapla Holding SAS

Statutory Auditors' report
on the consolidated financial statements prepared in accordance with IFRS

Year ended December 31, 2021
Kapla Holding SAS
30 B rue Sainte Hélène 69002 Lyon
This report contains 3 pages

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Registered office: 30 B rue Sainte Hélène 69002 Lyon

Statutory Auditors' report on the consolidated financial statements prepared in accordance with IFRS

For the year ended December 31, 2021

This is a free translation into English of a report issued in French and is provided solely for the convenience of English-speaking readers. This report should be read in conjunction with, and is construed in accordance with, professional auditing standards applicable in France.

To the Chairman,

In our capacity as Statutory Auditors of Kapla Holding SAS (the "**Company**" and, together with its consolidated subsidiaries, the "**Group**") and pursuant to your request in connection with the first- time adoption of IFRS published by the International Accounting Standards Board and as adopted by the European Union as at December 31, 2021, we have audited the accompanying IFRS consolidated financial statements of the Company for the year ended December 31, 2021.

As 2021 is the first year for which Kapla Holding SAS is preparing consolidated financial statements in accordance with IFRS, the comparative data for 2020 has not been audited.

These consolidated financial statements were prepared under your responsibility. Our role is to express an opinion on these consolidated financial statements based on our audit.

We conducted our audit in accordance with professional standards applicable in France and the professional guidance issued by the French Institute of statutory auditors (*Compagnie nationale des commissaires aux comptes*) relating to this engagement. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement. An audit involves performing procedures, on a test basis or by selection, to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the consolidated financial statements give a true and fair view of the financial position and assets and liabilities of the Group at December 31, 2021 and of the results of its operations for the year then ended in accordance with IFRS as adopted by the European Union.

Without qualifying our opinion, we draw your attention to Note 14 "First-time adoption of IFRS (IFRS1)" which describes the approach adopted by the Company and the main impacts of this transition to IFRS compared with the consolidated financial statements for the year ended December 31, 2021 prepared under French GAAP.

This report is governed by French law. The French courts have exclusive jurisdiction to rule on any dispute, claim or disagreement that may result from our letter of engagement or this report or any related question. Each party irrevocably renounces his or her rights to oppose legal action brought before these courts, to contend that the action was brought before a court that was not competent, or that these courts do not have jurisdiction.

Marcq en Baroeul and Neuilly-sur-Seine, December 1, 2022

The Statutory Auditors

KPMG S.A.	PricewaterhouseCoopers Audit
Eric Delebarre *Partner*	Alexandre Decrand *Partner*

KAPLA HOLDING
CONSOLIDATED IFRS FINANCIAL STATEMENTS

for the Year Ended December 31, 2021

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1. Consolidated Statement of Financial Position and Income Statement

Statement of Financial Position

ASSETS	Note	Dec. 31, 2021	Dec. 31, 2020	Jan. 1, 2020
In € millions				
Goodwill	7.1	813,8	769,0	742,9
Intangible assets	7.2	438,2	449,2	462,1
Property, plant and equipment	7.3	751,0	753,2	772,4
Non-current financial assets	10.4	7,5	7,8	3,6
Deferred tax assets	11.1	5,1	11,9	9,8
Other non-current receivables	12.1	0,0	0,0	0,0
TOTAL NON-CURRENT ASSETS		**2 015,6**	**1 991,1**	**1 990,8**
Inventories and work in progress	12.2	23,6	21,4	16,6
Trade and other receivables	12.3	181,9	163,8	180,3
Current financial assets	10.5	0,0	0,0	0,1
Current tax assets	11.1	4,9	12,5	13,3
Cash and cash equivalents	10.6	114,3	190,2	104,7
Assets held for sale		0,0	0,0	0,0
TOTAL CURRENT ASSETS		**324,8**	**387,9**	**315,0**
TOTAL ASSETS		**2 340,4**	**2 379,1**	**2 305,8**

EQUITY AND LIABILITIES	Note	Dec. 31, 2021	Dec. 31, 2020	Jan. 1, 2020
In € millions				
Share capital	8.1	5,1	5,1	5,1
Share premium	8.1	484,9	484,9	484,9
Reserves	8.1	(53,9)	(12,4)	20,4
Profit/(loss) for the period		13,4	(42,8)	(32,1)
Translation reserve	8.1	(1,4)	(1,2)	0,1
Equity attributable to owners of the parent		**448,1**	**433,6**	**478,4**
Non-controlling interests		**0,0**	**0,0**	**0,0**
TOTAL EQUITY		**448,1**	**433,6**	**478,4**
Long-term debt	10.1	1 136,8	1 082,3	1 070,2
Non-current lease liabilities	10.1	257,1	268,1	280,1
Long-term provisions for employee benefit obligations	6.3	4,0	3,7	3,1
Other long-term provisions	9.1	6,9	7,2	5,5
Non-current financial instruments	10.5	10,7	26,0	20,6
Deferred tax liabilities	11.1	129,5	134,3	134,8
Other non-current payables		0,0	0,0	0,0
TOTAL NON-CURRENT LIABILITIES		**1 545,0**	**1 521,4**	**1 514,3**
Short-term provisions for employee benefit obligations	6.3	0,0	0,0	0,0
Other short-term provisions	9.1	0,0	0,0	0,0
Short-term debt	10.1	25,0	140,9	17,6
Current lease liabilities	10.1	131,1	133,5	132,8
Current tax liabilities	11.1	3,1	2,1	2,3
Trade and other payables	12.4	188,0	147,5	160,4
Liabilities directly associated with assets held for sale		0,0	0,0	0,0
TOTAL CURRENT LIABILITIES		**347,3**	**424,0**	**313,1**
TOTAL EQUITY AND LIABILITIES		**2 340,4**	**2 379,1**	**2 305,8**

Consolidated Income Statement

	Note	Year ended Dec. 31, 2021	Year ended Dec. 31, 2020
In € millions			
Revenue from rentals and services	4.1	792.9	646.2
Other operating income*	4.1	35.8	32.0
Total operating income		**828.7**	**678.2**
Equipment and logistics costs	4.2	(175.6)	(140.9)
Payroll costs	6.2	(252.3)	(203.6)
Head office overheads and network expenses	4.3	(83.8)	(73.8)
Depreciation, amortization and impairment Other	4.4	(238.7)	(232.2)
recurring income and expenses	4.5	0.5	(3.3)
Recurring operating profit		**78.8**	**24.5**
Non-recurring operating income and expenses	4.6	(0.8)	0.0
Operating profit		**78.0**	**24.5**
Cost of net debt	4.7	(58.4)	(55.8)
Financial expenses	4.7	(0.4)	(8.5)
Financial income	4.7	6.5	0.0
Net financial expense		**(52.2)**	**(64.3)**
Profit/(loss) before income tax		**25.8**	**(39.8)**
Income tax expense	11.2	(12.5)	(3.0)
Profit/(loss) from continuing operations		**13.4**	**(42.8)**
Profit from discontinued operations, net of tax			
Profit/(loss) for the period		**13.4**	**(42.8)**
Attributable to:			
Owners of the parent Non-		13.4	(42.8)
controlling interests		0.0	0.0

*Other operating income includes proceeds from sales of equipment.

2. Consolidated Statement of Comprehensive Income

	Year ended Dec. 31, 2021	Year ended Dec. 31, 2020
In € millions		
Profit/(loss) for the period	**13.4**	**(42.8)**
Currency translation differences	(0.2)	0.0
Items that may be reclassified to profit or loss	**(0.2)**	**0.0**
Remeasurements of defined benefit post-employment benefit obligations Income tax effect	0.0	0.0
Items that will not be reclassified to profit or loss	**0.0**	**0.0**
Other comprehensive income	0.0	0.0
Total comprehensive income/(expense)	**13.2**	**(42.8)**
Attributable to:		
Owners of the parent Non- controlling interests	13.2 0.0	(42.8) 0.0

3. Consolidated Statement of Changes in Equity

	Equity attributable to owners of the parent								
In € millions	**Share capital**	**Share premium**	**Treasury shares**	**Subordinated shares**	**Consolidated reserves**	**Reserves - Other comprehensive income**	**Equity attributable to owners of the parent**	**Non-controlling interests**	**Total equity**
Balance at Jan. 1, 2020 before IFRS transition	**5.1**	**484.9**			**9.1**	**0.0**	**499.1**	**0.0**	**499.1**
Transition to IFRS	0.0	0.0			(20.7)	0.0	(20.7)	0.0	(20.7)
Balance at Jan. 1, 2020 after IFRS transition	**5.1**	**484.9**			**(11.6)**	**0.0**	**478.4**	0.0	**478.4**
Profit/(loss) for the period	**0.0**	**0.0**	**0.0**	**0.0**	**(42.8)**	**0.0**	**(42.8)**	**0.0**	**(42.8)**
Currency translation differences	0.0	0.0	0.0	0.0	(2.7)	0.0	(2.7)	0.0	(2.7)
Fair value remeasurement of hedging instruments	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Actuarial gains/(losses) related to defined benefit plans	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Income tax relating to other comprehensive income	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other comprehensive income/(expense)	**0.0**	**0.0**	**0.0**	**0.0**	**(2.7)**	**0.0**	**(2.7)**	**0.0**	**(2.7)**
Total comprehensive income/(expense)									
Share-based payments	0.0	0.0	0.0	0.0	0.9	0.0	0.9	0.0	0.9
Employee share issue	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other movements	0.0	0.0	0.0	0.0	(0.2)	0.0	(0.2)	0.0	(0.2)
Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Transactions with owners	**0.0**	**0.0**	**0.0**	**0.0**	**0.7**	**0.0**	**0.6**	**0.0**	**0.6**
Balance at Dec. 31, 2020	**5.1**	**484.9**	**0.0**	**0.0**	**(56.4)**	**0.0**	**433.6**	**0.0**	**433.6**
Profit for the period	**0.0**	**0.0**	**0.0**	**0.0**	**13.4**	**0.0**	**13.4**	**0.0**	**13.4**
Currency translation differences	0.0	0.0	0.0	0.0	0.0	(0.2)	(0.2)	0.0	(0.2)
Fair value remeasurement of hedging instruments	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Actuarial gains/(losses) related to defined benefit plans									
Income tax relating to other comprehensive income	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

4. Consolidated Statement of Cash Flows

	Note	2021	2020
In € millions			
Profit/(loss) for the period		**13.4**	**(42.8)**
Net dividends received from equity-accounted investees	4.9.2	0.0	0.0
Depreciation, amortization and provisions, net of reversals Other expenses/(income) with no cash impact	4.5 & 9.1 & 7.1	239.5	232.5
Cost of net debt		2.1	2.8
Income tax expense (current and deferred)	10.2	52.2	64.3
	11.2	12.5	3.0
Cash flows from operations		**319.6**	**259.9**
Income tax paid	11.2	(5.0)	(11.1)
Interest paid		(41.1)	(46.5)
Carrying amount of sold assets		5.5	6.2
Change in working capital	7.1 & 7.2 & 7.3	23.9	4.2
Other expenses/(income) with a cash impact		(1.7)	(0.9)
Net cash inflow from operating activities	**A**	**301.1**	**211.8**
Payments for property, plant and equipment and intangible assets	7.1 & 7.2 & 7.3	(198.2)	(181.2)
Investment grants received			
Proceeds from sales of property, plant and equipment and intangible assets		0.4	0.6
Movements in non-current financial assets	7.1 & 7.2 & 7.3	1.2	1.2
Payments for acquisitions of subsidiaries, net of cash acquired	10.6	(57.1)	(13.0)
Payments for investments in associates and/or joint-ventures	4.9.2		
Proceeds from sales of subsidiaries with loss of control, net of cash transferred			
Net cash (outflow) from investing activities	**B**	**(253.7)**	**(192.5)**
Capital increase	8.1	0.0	0.0
Sale (purchase) of own shares			
Proceeds from new long-term borrowings		126.5	332.3
Fees and premiums related to debt issues	10.1		
Repayments of long-term borrowings and lease liabilities	10.0		
	10.1	(249.7)	(265.7)
Net cash inflow/(outflow) from financing activities	**C**	**(123.2)**	**66.6**
Effect of exchange rate changes on cash and cash equivalents		(0.1)	(0.4)
Net increase/(decrease) in cash and cash equivalents	**A+B+C**	**(75.8)**	**85.6**
Cash and cash equivalents at the beginning of the year Cash	10.7	**190.1**	**104.6**
and cash equivalents at end of year	10.7	**114.3**	**190.1**

5. Notes to the Consolidated Financial Statements

Note 1 General information, significant events of the year and events after the reporting period

Note 2 Scope of consolidation

Note 3 Significant accounting policies

Note 4 Operating data

Note 5 Segment information

Note 6 Payroll costs and employee benefits

Note 7 Goodwill, intangible assets and property, plant and equipment

Note 8 Equity and earnings per share

Note 9 Provisions and contingent liabilities

Note 10 Financing and financial instruments

Note 11 Income tax

Note 12 Other items in the statement of financial position

Note 13 Off-balance sheet commitments

Note 14 First-time adoption of IFRS (IFRS 1)

Note 1 General information, significant events of the year and events after the reporting period

1.1 General information

Kiloutou is a major equipment rental player in France in both the business-to-business (B-to-B) and business-to-consumer (B-to-C) sectors. Its B-to-B customer base includes large national corporations, construction and civil engineering companies, independent tradespeople, local authorities and other government agencies, industrial and services companies and SMEs.

The company offers a very wide range of some 1,000 product references, including machinery for working at height and structural and finishing works, utility vehicles, heating and air conditioning equipment, audiovisual and events equipment and machinery and tools for landscaping and gardening.

The Kiloutou group is Europe's third-largest player in the equipment rentals market. For over 45 years, it has combined economic performance with environmental and human values by proposing the most innovative solutions for an increasingly diversified customer base that includes construction and civil engineering companies, independent tradespeople, SMEs, local authorities and industry.

Kiloutou's rental activities (detailed in Note 4.1) mainly include:

- General rentals – for more than 35 years, Kiloutou has rented machinery and equipment to B-to-B customers for all types of works. Its experience and expertise have enabled it to develop the most comprehensive range of machinery and equipment in the market and offer the best services and advice to companies and businesses of all sizes.

- Specialty rentals:

    - Energy – Kiloutou Energie – which was created following the acquisition of La Compagnie Atlantique de Location (CAL) – has been a key player in rentals of power generators and pumps in south-west France for more than 45 years. Kiloutou Energie's diesel and electromechanical engineers provide tailored temporary power and pumping solutions, with the company's range of machinery covering pumps for clear water and water from building sites, as well as groundwater drawdown, sludge and sewage pumps and generators. Each piece of equipment complies with the applicable noise and pollution standards and the company's tank farm meets the requisite environmental standards.

    - Rental of modular buildings – A perfect fit with its general equipment rental business, the rental of modular buildings allows Kiloutou to meet the needs of its customers in the construction, civil engineering, events, industry and service sectors, as well as local authorities.

The Group has operations in five countries and employs nearly 6,000 people.

Kiloutou's network comprises some 541 branches in Europe:

457 in France
31 in Poland
21 in Spain
12 in Germany
20 in Italy

Kapla Holding SAS – which is Kiloutou's parent company – is not required to prepare consolidated financial statements, as its own parent, Dentressangle SAS, prepares and issues consolidated financial statements, but it has elected not to use this exemption. These consolidated financial statements cover the activities of the sub-group controlled by Kapla Holding SAS (referred to as the "Kapla Group", or "the Group").

Kapla Holding acquired control of the Kiloutou Group on February 15, 2018. On that date, the Dentressangle Group acquired control of the Kiloutou Group via Kapla Holding SAS, which itself became the owner of all of the shares of Kiloutou SAS.

Kapla Holding, the parent of the entities included in the scope of consolidation, is a company incorporated under French law, whose registered office is located at 30 bis rue Saint Hélène, 69002 Lyon, France.

1.2 Significant events of the year

2021

Main changes in scope of consolidation

Controlling interests acquired by the Kapla Group in 2021:

The Kapla Group acquired full control of the following companies in 2021, which have been consolidated as from the following dates (corresponding to their acquisition dates):

- The La Centrale de Location group (LCDL), comprising six French general equipment rental companies (May 4).
- Salmat SAS and Jean Bart de Location (JBL) SAS, two French general equipment rental companies (July 1).
- Diaz Miqueles and Diaz Miqueles Montajes, two Spanish general equipment rental companies (July 7).
- AB Matériels SAS, a French general equipment rental company (December 21).
- Almaq S.A., a Spanish general equipment rental company (November 30).

The disclosures required in accordance with IFRS 3 are provided in Note 7.1

In France, the Kapla Group merged Locamodul and Samlloc Modulaire into Kiloutou Module SAS on January 1, 2021.
All of both companies' assets and liabilities were transferred to Kiloutou Module SAS and the companies were then dissolved.

In Germany, the Kapla Group merged Kiloutou Midekke and M+S Arbeitsbühnen into Kiloutou Deutschland GmbH on March 19, 2021.

All of both companies' assets and liabilities were transferred to Kiloutou Deutschland GmbH and the companies were then dissolved.

The Kapla Group merged MC Loc SAS into Kiloutou Module SAS on July 1, 2021. All of the company's assets and liabilities were transferred to Kiloutou Module SAS and it was then dissolved.

The Kapla Group merged LCDL SAS into Kiloutou SAS on October 1, 2021.
All of the company's assets and liabilities were transferred to Kiloutou SAS and it was then dissolved. It's five subsidiaries were merged into a single company, Dardiloc SAS.

As these mergers were carried out between companies that were all wholly owned by the Group, they did not have any impact on the consolidated financial statements.

The Kiloutou Group remarkably resilient to the Covid-19 crisis

The Covid-19 health crisis continued in 2021 and was still ongoing at the reporting date. It did not have a material impact on the consolidated financial statements.

A pattern has emerged whereby the equipment rental sector has not been adversely affected by the health crisis and in certain respects, it has actually benefited from it, as people are tending to rent rather than buy. In addition, the maintenance-renovation market has been significantly boosted by government renovation subsidies.

2020

Main changes in scope of consolidation

Controlling interests acquired by the Kapla Group in 2 2

The Kapla Group acquired control of the following companies in 2020, which were consolidated as from the following dates (corresponding to their acquisition dates):

- Locamodul SAS and Samlloc Modulaire SAS, two French companies specialized in the rental of modular buildings (February).

- MC Loc SAS, a French company specialized in the rental of modular buildings (December).

In July, Wiesecker GmbH's business was acquired by means of a partial asset contribution to Newco, which subsequently became Wiesecker GmbH.

The Kapla Group merged Franche-Comte Materiels SAS into Kiloutou SAS in 2020.

All of the company's assets and liabilities were transferred to Kiloutou SAS and it was then dissolved.

As this merger was carried out between two companies that were wholly owned by the Group, it did not have any impact on the consolidated financial statements.

A year marked by the Covid-19 crisis

The first-half of the year can be divided into three periods:

- A first period – before March 13, 2020 – during which the Group's business remained at a satisfactory level.

- A second period – from March 13, 2020 to end-May – when the Covid-19 crisis had a brutal impact on the Group's business. The situation varied significantly from country to country, depending on the severity of the restrictions and the seriousness of the pandemic.

Some countries were severely affected by lockdown measures and business virtually ceased. Although the crisis hit France later than in other areas, Kiloutou France SAS was forced to close its stores from March 17. Italy did the same, beginning on March 25, except in the Padua region. Spain managed the situation in the same way, closing seven stores in urban areas in mid-March, followed by other store closures on March 29.

Poland and Germany were not as badly affected and no stores actually closed their doors. Business mostly continued in these countries despite the pandemic.

In the Specialty rentals business in France, the situation was very different, with the events business most severely impacted as the entire events industry ground to a halt in early March. The modular buildings business also came to a stop with the closure of large building sites, and Kiloutou Energy's business slowed down considerably.

The Group gradually reopened its stores from mid-April:

- ✓ In France, stores began reopening in early April. The aim was to be able to deal with the resumption of activity and building work. Specialty rentals followed suit, with the exception of Loca Réception, which was the subsidiary most affected by the Covid-19 crisis due to the falloff in demand in the events industry.

- ✓ Italy and Spain, which were also severely impacted by Covid-19, began opening their stores in May.

- ✓ Germany and Poland, which did not close any of their stores, had to contend with a decline in activity and did everything they could to get business levels back up.

– A third period – the month of June – when business gradually picked up and returned to normal, albeit below pre-Covid levels.

Senior management deployed various measures to weather the crisis and contend with the negative impact of the pandemic on the Group as a whole and on the individual entities:

- ✓ More than ever, our priority was the health and safety of our employees and their families, our customers, partners and suppliers and all of our other stakeholders. Accordingly, we introduced new safety protocols in all countries and regions impacted by the Covid-19 pandemic with a view to organizing contact-free deliveries for customers and frequent disinfecting of all rented equipment.

- ✓ The Group entered into a number of equipment sale and leasing transactions with banks.

- ✓ A €125 million State-guaranteed loan was secured in July 2020.

- ✓ The Group drastically reduced its capital expenditure, particularly on rental equipment.

- ✓ Operating costs, including labor costs, were reduced through the use of furlough schemes in France, Italy and Spain. The vast majority of employees in France and Italy were furloughed throughout the lockdown. Stores affected in other countries also adapted their labor costs to their business levels by using the full range of ordinary and extraordinary regulations available (compulsory leave, temporary layoffs, etc.).

For 2020 as a whole, the impact of the health crisis on consolidated revenue and EBITDA was estimated at €92 million and €44 million, respectively, corresponding to a complete shutdown of business during the spring lockdown between March and May 2020. This estimated impact was based on a comparison with the same months in the prior year and on budget information.

The changes in economic circumstances were incorporated into the Group's key assumptions but did not lead to the recognition of any significant impairment losses in the consolidated financial statements.

1.3 Events after the reporting period

Salmat, Jean Bart Location and AB Materiels will be merged into SAS Kiloutou by way of a full asset transfer (on April 1, 2022 for Salmart and Jean Bart Location, and May 2, 2022 for AB Materials).

In Spain, Diaz Miquelez and Almaq will be merged into Kiloutou España during the same period.

As these mergers are between companies that are wholly owned by the Group, they will not have any impact on the consolidated financial statements.

The war in Ukraine broke out on February 24, 2022 – after the reporting date – and therefore had no impact on the financial statements for the year ended December 31, 2021. To date, the Group has not identified any direct exposure it may have to the potential impacts of this war, but will be closely monitoring the effects that political tensions could have on its business in 2022.

Acquisition of GSV

The Kiloutou Group signed an agreement with the CataCap fund to acquire GSV, Denmark's leading equipment rental company, on April 7, 2022. Through this acquisition, Kiloutou will reach a new milestone in its international development by moving into the resilient and dynamic Danish market. Founded in 1964, GSV has a market share of 22% in Denmark and the largest range of equipment in the rental sector (13,000 articles). It reported revenue of approximately €130 million in 2021, employs 497 people and operates a network of 19 branches located throughout the country.

Acquisition of Grupo Vendap and Holbæk Lift

In order to strengthen its position in Europe, the Kiloutou Group signed an agreement to acquire Grupo Vendap, one of Portugal's leading equipment rental companies, and Holbæk Lift, a regional rental player in Denmark.

In 2021, Grupo Vendap generated €40 million in revenue and employed 340 people in its 8 branches in Portugal. Holbæk Lift generated revenue of €6 million and had 20 employees based in one branch.

Kiloutou acquired the entire capital of Holbæk Lift at the end of August 2022.

The disclosures required in accordance with IFRS 3 are provided in Note 7.1

Note 2 Scope of consolidation

The consolidated financial statements of the Kapla Group include the accounts of the parent company Kapla Holding and those of its subsidiaries for the year ended December 31, 2021.

Changes in the scope of consolidation are presented in *Note 1.2, Significant events of the year.*

Company	Country	Number of shares held	% control	Consolidation method	Registered office	SIREN business registration no.
KAPLA HOLDING	**France**	**509,808,254**	**100.00%**	**Parent**	**30 bis rue Saint-Hélène, 69002 Lyon**	**833372774**
KILOUTOU SAS	France	4,176,622	100.00%	FC	1 rue des Précurseurs - 59664 Villeneuve d'Ascq	317686061
SCI 100 RN 10 COIGNIERES	France	9,999	100.00%	FC	1 rue des Précurseurs - 59664 Villeneuve d'Ascq	401667043
KILOUTOU IMMOBILIER	France	2,530	100.00%	FC	1 rue des Précurseurs - 59664 Villeneuve d'Ascq	381959394
SALMAT	France	10,000	100.00%	FC	1 rue des Précurseurs - 59664 Villeneuve d'Ascq	329924310
JEAN BART LOCATION	France	9,945	100.00%	FC	1 rue des Précurseurs - 59664 Villeneuve d'Ascq	077250793
DARDILOC	France	1,000	100.00%	FC	1 rue des Précurseurs - 59664 Villeneuve d'Ascq	827487703
AB MATERIELS	France	3,000	100.00%	FC	1 rue des Précurseurs - 59664 Villeneuve d'Ascq	409239449
KILOUTOU MODULE	France	22,729	100.00%	FC	1 rue des Précurseurs - 59664 Villeneuve d'Ascq	453700106
LOCA RECEPTION	France	1,000	100.00%	FC	1 rue des Précurseurs - 59664 Villeneuve d'Ascq	493440416
KILOUTOU ENERGIE	France	11,174	100.00%	FC	20 bis René Bars - 40250 Mugron	301351029
KILOUTOU SIGNALISATION	France	50,000	100.00%	FC	1 rue des Précurseurs - 59664 Villeneuve d'Ascq	301351029
KILOUTOU POLSKA	Poland	269,600	100.00%	FC	ul. Rokicińska 142, 92-412 Łódź Polska	410479
KILOUTOU ESPAÑA	Spain	30,000	100.00%	FC	Carrer Pla de Matabous - 3408110 Montcada i Reixac, Barcelona	A60383379
DIAZ MIQUELEZ	Spain	9,000	100.00%	FC	Pol. Ind. La Portalada II, C. Planillo, 2, 26006 Logroño, La Rioja	B26205237
DIAZ MIQUELEZ MONTAJES	Spain	1,200	100.00%	FC	Pol. Ind. La Portalada II, C. Planillo, 2, 26006 Logroño, La Rioja	B26370601
ALMAQ	Spain	1,000	100.00%	FC	Polígono La Cartuja Baja, Nave 1, 50720 La Cartuja Baja, Zaragoza	A50087220
KILOUTOU GMBH	Germany	25,000	100.00%	FC	Am Knick 11, 22113 Oststeinbek	HRB 15774 HL
KILOUTOU DEUTSCHLAND	Germany	1	100.00%	FC	Am Knick 11, 22113 Oststeinbek	HRB 3496 RE
KILOUTOU WIESECKER	Germany	25,000	100.00%	FC	Am Nordpark 1, 41069 Mönchengladbach	HRB 18771
KILOUTOU ITALIA	Italy	696,000	100.00%	FC	Via Postumia Ovest 101 (TV), 31048 San Biagio di Callalta	9975240962
COFILOC	Italy	500,000	100.00%	FC	Via Postumia Ovest 101 (TV), 31048 San Biagio di Callalta	1152330260
ELEVO	Italy	10,000	100.00%	FC	Via Nigarzola 10 Cap, 24040 Lallio (BG)	3026380166
STICAR	Italy	58,200	100.00%	FC	Corso Stati Uniti 10, 35127 Padua (PD)	642470280

Note 3 Significant accounting policies

3.1 Compliance Statement

The consolidated financial statements of Kapla Holding have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and as endorsed by the European Union as at December 31, 2021. The IFRS adopted by the European Union can be viewed on the European Commission's website.

The financial statements also include information deemed significant as required by Regulation 2016-09 issued by the French Accounting Standards Board (ANC).

This is the first set of consolidated financial statements prepared by the Kapla Group in accordance with IFRS as adopted by the European Union as at December 31, 2021. They were approved for issue by the Chairman.
Until December 31, 2021, the Kapla Group prepared its consolidated financial statements in accordance with French generally accepted accounting principles (French GAAP).
Kapla Holding SAS's registered office is located at 30 B Rue Ste Helene, 69002 Lyon, France.

3.2 Basis of Preparation

3.2.1. E emptions applied on first time adoption of FRS

For the preparation of its opening statement of financial position at January 1, 2020, the Group followed the principles of *IFRS 1 – First-time Adoption of International Financial Reporting Standards,* as endorsed by the European Union as at December 31, 2021.

IFRS have therefore generally been applied retrospectively, as if the Group had always applied them.

However, the Group has applied some of the exemptions from full retrospective application provided for in IFRS 1 (see *Note 14.1, Transition approach*).

See also *Note 14, First-time adoption of IFRS (IFRS 1)*.

3.2.2. Summary of significant accounting policies

The financial statements are presented in millions of euros (rounded to the nearest million), which is the Group's presentation currency and the parent company's functional currency. They have been prepared on a historical cost basis, except for the following which have been measured at fair value: derivative financial instruments, available-for-sale financial instruments and financial instruments measured at fair value through other comprehensive income.

The accounting policies set out below have been applied consistently to all periods presented in the consolidated financial statements and by all Group entities.

In preparing the consolidated financial statements, the Group did not early adopt any issued amendments, new standards or interpretations that have been adopted by the European Union but which are not mandatory for the year ended December 31, 2021. The Group does not expect these new standards, amendments or interpretations to have a material impact on its consolidated financial statements in future reporting periods. The new standards, amendments and interpretations whose application is mandatory as from January 1, 2022 are as follows:

- Amendments to IFRS 3 – Reference to the Conceptual Framework
- Amendments to IAS 16 – Property, Plant and Equipment – Proceeds before Intended Use
- Amendments to IAS 37 – Onerous Contracts – Cost of Fulfilling a Contract
- Annual Improvements to IFRSs (2018-2020 Cycle) – Amendments to IFRS 1, IFRS 9, IAS 41 and IFRS 16.

The Group does not expect the application of these amendments to have a material impact on its consolidated financial statements.

3.2.3. Use of estimates

The preparation of consolidated financial statements requires Management to use judgment and to use estimates and assumptions that can affect the reported amounts of certain assets, liabilities, income and expenses, as well as the information disclosed in the accompanying notes.

In preparing the consolidated financial statements, the significant judgments made by Management in applying the Group's accounting policies and the key estimates used relate in particular to the following:

- Measurement of the recoverable amount of goodwill, property, plant and equipment and intangible assets.
- Measurement of trademarks and customer relationships.
- The terms of lease contracts that fall within the scope of IFRS 16.
- Measurement of financial instruments.
- The amount of deferred tax assets that can be recognized in the statement of financial position.

3.2.4. Scope of consolidation

Full consolidation

All of the companies included in the Group’s scope of consolidation are fully consolidated. They apply consistent accounting policies (known as "group accounting policies") for recording and presenting similar transactions and events.

A list of the Group’s consolidated companies is provided in *Note 2, Scope of consolidation*.

The Company controls an entity when it has:

- Power over the entity.
- Exposure, or has rights, to variable returns from its involvement with the entity.
- The ability to use its power over the entity to affect the amount of its returns.

All companies included in the Group’s scope of consolidation are consolidated based on annual financial statements at December 31.

All intra-group transactions and balances are eliminated in consolidation.

3.2.5. Business combinations and asset acquisitions

Business combinations

Business combinations are accounted for using the acquisition method:

- The acquisition price is measured at the acquisition-date fair value of the consideration transferred, including any contingent consideration. Any post-acquisition changes in the estimated fair value of contingent consideration that occur after the acquisition price measurement period are recognized in profit or in equity, depending on the applicable standards.
- Any excess of the consideration transferred over the acquisition-date fair value of the identifiable assets acquired and liabilities assumed represents goodwill, which is recorded as an asset in the statement of financial position.

Any fair value adjustments to the net identifiable assets acquired in a business combination that were originally measured on a provisional basis (due to ongoing valuations or additional analyses) are recognized as retrospective adjustments to goodwill if they are recorded within one year of the acquisition date and if they result from facts and circumstances that existed at the acquisition date. Beyond this one-year measurement period, the impacts of any such fair value adjustments and any changes in estimates are recognized directly in profit or loss.

Intangible assets may be recognized for customer relationships that correspond in substance to contracts in progress at the acquisition date and/or relationships with regular customers of the acquired entity (opportunity to enter into new contracts). These intangible assets are measured based on the "excess earnings" method, which considers that the value of the intangible asset recognized corresponds to the present value of the net cash flows expected to be generated by the customer relationship, after deducting the proportion of cash flows attributable to other assets that are required to generate those cash flows (contributory assets). Intangible assets may also be recognized for technologies (patented or not) and trademarks. These are valued either based on the "relief-from-royalty" method or the "replacement cost" method.

If the Group acquires an interest in an entity representing less than 100%, the portion of the entity not acquired (the non-controlling interest) is measured at either: full fair value, in which case the goodwill recognized includes the goodwill on the non-controlling interest as well as on the acquired controlling interest (the full goodwill method); or the fair value of its proportion of the net identifiable assets acquired (the partial goodwill method).

Costs directly attributable to major acquisitions are recorded under “Non-recurring operating income and expenses” in the period in which they are incurred.

Contingent consideration on a business combination is measured at fair value at the acquisition date even if it is not considered probable that the consideration will be paid. Any post-acquisition changes in the estimated fair value of contingent consideration may only give rise to an adjustment to goodwill if they occur during the measurement period (i.e. within one year of the acquisition date) and if they are the result of additional information acquired after the acquisition date about facts and circumstances that existed at that date. In all other cases, any changes in the estimated fair value of contingent consideration are recognized in profit or equity in accordance with the relevant IFRS.

If a business combination is achieved in stages, the acquisition-date carrying amount of the Group’s previously held equity interest in the acquiree is remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognized in profit or loss (if the previously held interest is measured at fair value through profit or loss). For the purpose of determining goodwill at the acquisition date, the fair value of the consideration transferred (e.g. the price paid) is increased by the fair value of the Group’s previously held equity interest in the acquiree. Any amounts previously recognized in other comprehensive income related to the Group’s previously held interest in the acquiree are recycled to profit or loss.

Asset acquisitions

Acquisitions of groups of assets that do not fall within the scope of IFRS 3, as defined in the 2020 amendment to IFRS 3, are accounted for at cost (including acquisition-related expenses). The cost of the group of assets is allocated to the individual identifiable assets and liabilities based on their relative fair values at the acquisition date.

3.2.6. Foreign currency transactions

The functional currency of the Group's foreign companies is their local currency.
Consequently, the financial statements of foreign companies that are denominated in currencies other than the euro are translated into euros as follows:

- Assets and liabilities are translated at the exchange rates prevailing at the reporting date.
- Income and expenses are translated at the average rate for the period, provided it is not affected by significant fluctuations in exchange rates.

Currency translation differences related to (i) opening equity or movements in equity during the period (capital increases, acquisitions, etc.), or (ii) income statement items, are recognized in other comprehensive income and broken down between the portion attributable to owners of the parent and the portion attributable to non-controlling interests. The impact of these currency translation differences is shown in a separate line in the consolidated statement of changes in equity.

Foreign currency transactions are translated into the respective functional currencies of the Group's entities using the exchange rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated into the functional currency at the exchange rates prevailing at that date. The resulting currency translation differences are recognized in profit or loss.

3.2.7. Presentation of financial information

The amounts disclosed in the consolidated financial statements have been rounded to the nearest million euros and include individually rounded data. Consequently, totals and sub-totals may not correspond exactly to the sum of the reported amounts.

3.2.8. Statement of financial position and statement of cash flows

Assets and liabilities are classified as current when they form part of the normal operating cycle. Other assets and liabilities are classified as either current or non-current depending on whether or not they are expected to be recovered or settled within 12 months of the reporting date.

The Group's statement of cash flows has been prepared in accordance with IAS 7, using the indirect method based on consolidated profit for the period, and is broken down into three categories:

- Cash flows from operating activities (including taxes).
- Cash flows from investing activities (notably purchases and sales of subsidiaries and associates, property, plant and equipment and intangible assets).
- Cash flows from financing activities (particularly proceeds from new borrowings and repayment of existing borrowings, purchases of own shares, and dividends paid).

3.3 Main Changes in Accounting Methods

As 2021 is the first year for which the Group has published its consolidated financial statements in accordance with IFRS, the comparative data for 2020 has been restated based on the same standards.

3.4 Related-Party Transactions

According to IAS 24, a related party is defined as, among other things, a party that can exercise control or have significant influence over the reporting entity. All business transactions with non-consolidated subsidiaries are conducted on arm’s length terms. Several members of the Group's management team and Supervisory Board are members of the supervisory bodies of companies with which Kapla Holding has relations in the normal course of its business. All transactions with these companies are carried out on arm’s length terms.

3.4.1. Transactions with companies over which Kapla Holding has significant influence

At December 31, 2021, the Group had not carried out any material transactions with companies over which Kapla Holding has significant influence.

3.4.2. Compensation of key management personnel

The Group provides benefits in kind to its key management personnel, pays attendance fees and contributes to a post-employment benefit plan set up for them. Key management personnel primarily correspond to Kapla Holding’s Chairman and the members of its Supervisory Board and Executive Committee.

The compensation expense recognized in 2021 for the Group’s key management personnel (the Chairman and Supervisory Board members) amounted to €455.5 thousand

(in € thousands)	2021	2020
Fixed compensation	125.3	125.3
Benefits in kind *(ExCom members)*	4.4	3.6
Length-of-service awards *(ExCom members)*	1.9	1.9
Attendance fees paid *(Supervisory Board members)*	323.9	286.9
TOTAL	455.5	417.8

3.4.3. Transactions with shareholders and key personnel of subsidiaries

Apart from the transactions set out in Note 13, no significant transactions were carried out in 2021 with (i) any company directly or indirectly related to key personnel of Kapla Holding's subsidiaries, or (ii) Kapla Group shareholders.

3.5 Off-balance sheet commitments related to consolidated companies

Off-balance sheet commitments correspond to commitments given or received by entities in the Group's scope of consolidation that are not recognized in the statement of financial position.

Details of the Group's off-balance sheet commitments are provided in *Note 13, Off-balance sheet commitments*.

Note 4 Operating data

4.1 Revenue

The Group generates revenue from rentals and services.

Revenue from rentals and sub-rentals

The Group rents out heavy and light equipment and tools to a diverse customer base including construction and civil engineering companies, tradespeople, public entities, industrial companies, event companies and, to a lesser extent, private individuals.

Some equipment that it rents out does not belong to Kiloutou, in which case it is sub-rented.
Revenue from equipment rentals and sub-rentals is recognized on a straight-line basis over the rental period in accordance with IFRS 16. The term of a rental contract or the term specified on the purchase order when a framework agreement exists can vary from one day to several weeks and is generally of short duration. The end of the rental period occurs when the equipment is returned.
The Rental segment consists of two businesses in France: General rentals and Specialty rentals

- **General rentals**

The general rentals business corresponds to the rental of basic equipment: Tools and Light Equipment, Earth-Moving Equipment, Access Equipment and Utility Vehicles.

- **Specialty rentals**

The specialty rentals business covers four product categories: Energy, Modular Buildings, Signaling and Events.

- **Other countries**

The Group’s international operations mainly correspond to general rentals, corresponding to the rental of general equipment.

Revenue from rental-related services

The Group offers services that are directly related to its rental segment activities. The revenue generated from these rental-related services is mainly derived from the following:

- transportation of equipment;
- sale of consumables and spare parts;
- equipment breakdown warranties;
- labor for cleaning and repairs;
- training.

These services constitute distinct performance obligations under IFRS 15.

The revenue from these rental-related services is recognized in accordance with IFRS 15 as follows:

- Transportation: revenue is recognized when the service has been performed as the duration of the service is short.
- Sale of consumables: revenue is recognized on delivery to the customer.
- Equipment breakdown warranties: revenue is recognized progressively over the rental period.
- Cleaning and repairs: revenue is recognized when the service has been performed as the duration of the service is short.
- Training: revenue is recognized when the service has been performed as the duration of the service is short.

Kiloutou sometimes uses external parties to perform these services but it remains responsible for the services *vis-à-vis* the customer.

Other operating income – sale of used equipment

Kiloutou's equipment is often resold to brokers through auctions and this forms part of the Group's ordinary operating activities. The customer base for rentals is not the same as for sales of used equipment.

Revenue from the sale of used equipment is recognized when control of the equipment is transferred, i.e. when it is delivered to the customer.

Breakdown of revenue

	2021		2020	
In € millions	Group total	% of Group total	Group total	% of Group total
Rentals	555.7	67.1%	456.9	67.4%
Sub-rentals	17.6	2.1%	14.5	2.1%
Equipment breakdown warranties	37.1	4.5%	30.5	4.5%
Sales of consumables	62.6	7.6%	49.4	7.3%
Transport and deliveries	91.6	11.1%	73.8	10.9%
Cleaning and repairs	27.7	3.3%	20.8	3.1%
Training	2.9	0.4%	1.7	0.3%
Other	(2.3)	(0.3)%	(1.6)	(0.2)%
Revenue from rentals and services	792.9	96%	646.1	95%
Sale of used equipment	35.8	4.3%	32.1	4.7%
Other operating income	35.8	4%	32.1	5%
Total operating income	828.7	100%	678.2	100%

4.2 Equipment and logistics costs

Equipment and logistics costs include: insurance (for vehicles, breakages and theft), costs for goods transportation, fuel and technical equipment, the cost of repairing and refurbishing equipment, and the rental of equipment that does not fall within the scope of IFRS 16. The carrying amounts of sold products are also included in equipment costs.

4.3 Head office overheads and network expenses

Head office overheads and network expenses mainly include IT and technical costs, costs related to supplies and telephone equipment, postage, marketing and communication expenses, travel costs and statutory auditors' and consultants' fees. The Group does not incur any research and development costs.

4.4 Depreciation, amortization and impairment

This item mainly comprises depreciation and amortization expense, impairment losses and additions to and reversals of provisions for contingencies.

In € millions	2021	2020
Amortization of intangible assets	(16.6)	(16.4)
Depreciation of property, plant and equipment*	(222.1)	(215.7)
Other	0.0	0.0
TOTAL DEPRECIATION, AMORTIZATION AND IMPAIRMENT	(238.7)	(232.2)

** Includes depreciation of right-of-use assets in accordance with IFRS 16.*

4.5 Other recurring income and expenses

Other recurring income and expenses mainly include administrative costs, provisions and losses arising on doubtful receivables.

4.6 Non-recurring operating income and expenses

Income and expenses from non-recurring operations that represent significant amounts and could affect the understanding of the Group's operating performance are recorded in "Non-recurring operating income and expenses". This line notably includes significant goodwill impairment losses, significant and unusual impairment of property plant and equipment/intangible assets, and items that are unusual, represent significant amounts and do not fall within the Group's scope of ordinary activities such as major restructuring costs, exceptional payments for contract terminations or fees for structural acquisitions (whether completed or not). "Structural acquisitions" are acquisitions that lead to a significant change (in size, strategy, etc.) for the Group and must be qualified as such by Management on a case-by-case basis. Generally, a "structural acquisition" is a transaction where the acquiree generates over €100 million in annual revenue and has a dominant market position in a particular country.

4.7 Net financial income/(expense)

Net financial income/(expense) is presented in *Note 10.2, Financial income and expenses*.

4.8 Fees paid to the statutory auditors

In accordance with Regulation no. 2016-09 issued by the French Accounting Standards Board (ANC), the following table shows the amount (excluding VAT and disbursements) paid by Kapla Holding and its French subsidiaries to the Statutory Auditors:

In thousand of euros	KPMG		PWC		AUTRES	
	2021	2020	2021	2020	2021	2020
Audit						
Audit, certification, examination of individual and consolidated accounts	249	237	157	117	128	96
Others services than the certification of accounts	10	8	1	1	0	0
TOTAL FFES	260	245	158	118	128	96

Note 5 Segment information

The information reported to the Executive Committee – the chief operating decision maker – for the purpose of allocating resources to operating segments and assessing their performance is broken down by geographical area and by the nature of each business and the rented assets. The Group's geographical areas correspond to France, which is its home market, and International, and the categories of businesses and rented assets are general rentals and specialty rentals. The Group's reportable segments as identified in accordance with IFRS 8 are:

- **France – General rentals**: this segment corresponds to providing customers with a fleet of equipment covering all public works and civil engineering needs, a range of elevation equipment, and equipment that meets safety standards in the fields of industry and maintenance.
- **France – Specialty rentals**: corresponding to a rental offer of modular buildings and temporary energy and pumping solutions.
- **International**: Mainly comprises General rental operations similar to those conducted in France.

We have not identified any single customer whose transactions represent 10% or more of the Group's revenue.

5.1 Key indicators by segment

The key indicators by segment as presented in the tables below are as follows:

- **Revenue**: revenue recognized by the Group for each type of income stream.
- **EBITDA**: profit for the period before depreciation, amortization and impairment, net financial income/(expense), income tax, and non-recurring operating income and expenses, excluding the effects of stock options and provisions for post-employment benefit obligations.
- **Segment assets**: property, plant and equipment and intangible assets (including goodwill) net of depreciation, amortization and impairment.
- **Segment headcount**: full-time equivalent employees for the year.

Revenue by segment

In € millions	2021	% of total	2020	% of total
France – General rentals	615.7	74%	503.6	74%
France – Specialty rentals	60.9	7%	45.2	7%
Total – France	**676.6**	**82%**	**548.8**	**81%**
International	152.1	18%	129.4	19%
Total revenue	828.7	100%	678.2	100%

EBITDA by segment

In € millions	2021	% of revenue	2020	% of revenue
France – General rentals	232.9	28%	191.0	28%
France – Specialty rentals	24.1	3%	16.5	2%
Total – France	**257.0**	**31%**	**207.4**	**31%**
International	62.5	8%	50.8	7%
Total EBITDA	319.5	39%	258.2	38%

Segment assets

In € millions	Dec. 31, 2021	% of total assets	Dec. 31, 2020	% of total assets
France – General rentals	1,489.0	74%	1,470.2	75%
France – Specialty rentals	108.9	5%	114.1	6%
Total – France	**1,597.9**	**80%**	**1,584.4**	**80%**
International	405.1	20%	387.0	20%
Total segment assets	2,003.0	100%	1,971.4	100%
Assets used in operations	2,003.0	100%	1,971.4	100%
Unallocated assets	0.0	0%	0.0	0%
Total Group assets	**2,003.0**	**100%**	**1,971.4**	**100%**

Segment headcount

In € millions	Dec. 31, 2021	% of total headcount	Dec. 31, 2020	% of total headcount
France – General rentals	3,908	77%	3,411	77%
France – Specialty rentals	244	5%	178	4%
Total – France	**4,152**	**81%**	**3,589**	**81%**
International	948	19%	863	19%
Total average headcount	5,100	100%	4,452	100%

5.2 Reconciliation with consolidated data

Consolidated EBITDA can be reconciled with recurring operating profit as follows:

In € millions	2021	% of revenue	2020	% of revenue
Recurring operating profit	**78.8**	**10%**	**24.5**	**4%**
Depreciation, amortization and impairment	(238.7)	-29%	(232.0)	-34%
Additions to provisions for post-employment benefit obligations	(0.8)	0%	(0.5)	0%
Share-based payments (IFRS 2)	(1.2)	0%	(1.2)	0%
EBITDA	**319.5**	**39%**	**258.2**	**38%**

Consolidated EBITDA can be reconciled with profit for the period as follows:

In € millions	2021	% of revenue	2020	% of revenue
EBITDA	**319.5**	**39%**	**258.2**	**38%**
Depreciation, amortization and impairment	(238.7)	-75%	(232.0)	-90%
Additions to provisions for post-employment benefit obligations	(0.8)	0%	(0.5)	0%
Share-based payments (IFRS 2)	(1.2)	0%	(1.2)	0%
Non-recurring operating income and expenses	(0.8)	-2%	0.0	0%
Net financial expense	(52.2)	-16%	(64.3)	-25%
Income tax expense	(12.5)	-4%	(3.0)	-1%
Profit attributable to non-controlling interests		0%		0%
Profit for the period attributable to owners of the parent	**13.4**	**4%**	**(42.8)**	**-17%**

5.3 Information by Geographical Area

Non-current assets by country

Goodwill cannot be broken down by geographical area (excluding France) as it is allocated to segments that operate in several geographical areas. The Group has not identified any countries in the International segment whose non-current assets individually exceed 10% of total consolidated assets.

External revenue by segment

In € millions	2021	% of total revenue	2020	% of total revenue
France – General rentals	615.7	74%	503.6	61%
France – Specialty rentals	60.8	7%	45.2	5%
International	152.1	18%	129.4	16%
Total external revenue	828.7	100%	678.2	100%

Note 6 Payroll costs and employee benefits

6.1 Headcount

The Group's headcount – corresponding to the headcount of its consolidated companies – was as follows in 2021 and 2020:

	2021	2020
Total headcount at December 31	5,675	5,546
Average headcount for the year	5,100	4,452

6.2 Payroll costs

Payroll costs presented in the income statement break down as follows by nature:

In € millions	2021	2020
Wages and salaries after payroll taxes	217.4	185.8
Employee profit-sharing	24.5	9.4
Employee benefits and share-based payments*	2.6	2.2
Other**	7.8	6.1
TOTAL PAYROLL COSTS	252.3	203.6

** Employee benefits and share-based payments include post-employment benefits and stock options.*
*** "Other" payroll costs include recruitment, severance, and training costs.*

6.3 Employee benefits

In accordance with IAS 19 – Employee Benefits, all entities included in the scope of consolidation identify and record all benefits granted to employees.

Depending on the laws and practices of each of its operating countries, the Group contributes to plans covering pensions, personal risk insurance, healthcare costs and statutory retirement bonuses. The benefits under these plans are based on various factors, such as seniority, salaries and payments made into statutory plans.

For defined contribution plans, the Group pays periodic contributions to external organizations that are responsible for the administrative and financial management of the plans. The contributions are expensed as incurred.

The benefit obligation for defined benefit plans is calculated using the projected unit credit method. The calculations are performed annually by independent actuaries for the largest plans and at regular intervals for other defined benefit plans. The actuarial assumptions used to determine the defined benefit obligation vary depending on the specific characteristics of each company (staff turnover rate, estimated future salary growth) and the economic conditions prevailing in the country where the plan is located (discount rate, inflation).

The expense recognized in the income statement for defined benefit plans comprises the current service cost (recognized in payroll costs), the net interest cost (recognized in other financial income and expenses) and the past service cost for the year. The Group determines the net interest expense on the net defined benefit liability for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability.

The Group's defined benefit plans mainly correspond to statutory retirement bonuses in France and Poland and statutory severance pay (TFR) in Italy.

The TFR liability in Italy has been recognized in accordance with the requirements of Italian law.

The impacts of statutory retirement bonuses in Poland are recognized but are not material.

Short- and long-term provisions for employee benefit obligations amounted to €4.0 million at December 31, 2021 (including €1.5 million for TFR in Italy and €2.5 million for statutory retirement bonuses in France) compared with €3.7 million at December 31, 2020 (including €1.5 million for TFR in Italy and €2.2 million for statutory retirement bonuses in France).

The main actuarial assumptions used to estimate the Group's obligations in France are set out below:

	2021	2020	2020
Discount rate	0.89%	0.46%	0.80%
Estimated future salary growth rate	2%	2%	2%
RETIREMENT AGE	2021	2020	2020
Managerial staff	65	65	65
Non-managerial staff	62	62	62

The INSEE 2012-2016 mortality table was used for France. Staff turnover rates are calculated by age bracket. The probability of employees leaving the Group before retirement varies, and can be up to 24.3% for certain employees aged between 20 and 24. At December 31, 2021, the term of the benefit obligation was 14 years and 1 month.

Sensitivity to assumptions (France)

A 50 basis-point decrease in the discount rate would increase the carrying amount of the obligation by 5% (with the impact recorded in other comprehensive income).

Movements in the net provision recognized in the statement of financial position were as follows in 2021 and 2020:

In € millions	Dec. 31, 2021	Dec. 31, 2020
Provision at Jan. 1	**2.0**	**1.7**
Actuarial gains and losses recognized in other comprehensive income	0.0	-
Net expense	0.4	0.4
Benefits paid	(0.1)	(0.1)
Other	-	-
Changes in scope of consolidation	0.3	-
Provision at Dec. 31	**2.5**	**2.0**

The expenses recognized for defined benefit plans break down as follows:

(in € thousands)	2021	2020
Net interest cost	10.9	16.3
Current service cost	578.0	310.0
Past service cost	-	-
Curtailments/settlements	-	-
TOTAL EXPENSES	588.9	326.3
O/w recorded in payroll costs	578.0	310.0
O/w recorded in other financial income and expenses	10.9	16.3

The benefit obligations are determined based on salaries, payroll tax rates, estimated retirement ages, and the probability that the employees concerned will still be with the Group at their retirement date.

6.4. Share-based payments

Some employees and corporate officers of the Kapla Holding Group are beneficiaries under preference share plans.

"C2" preference share plans

At Kapla Holding's Extraordinary General Meeting held on February 15, 2018, the shareholders authorized the Company to set up a preference share plan (Plan 1) for certain Group managers and non-managerial employees. The authorization was given for a period of six years, expiring on February 15, 2024.

At the General Meeting of December 15, 2021, the shareholders authorized the Chairman to implement the preference share plan for certain Group managers and non-managerial employees (the "ADPR C2" plan). The "C2" preference shares granted under this plan have a one-year vesting period and are subject to the beneficiary still forming part of the Group at the vesting date.

The grant of 1,820,118 C2 preference shares was authorized under Plan 2 on April 27, 2021.

The details of the preference share plans as at December 31, 2021 are as follows:

	Type of plan	Grant date	Number of shares granted	Number of shares canceled	Number of shares outstanding at Dec. 31, 2021	Legal vesting period of preference shares	End date for deferral of the share-based payment expense*	Fair value of preference shares outstanding at Dec. 31, 2021	2021 share-based payment expense (IFRS 2) (In €)
ADPR C2	Preference shares – Plan 1	Aug. 1, 2018	4,797,376	282,500	4,514,876	1 year	Feb. 15, 2024	4,943,676	880,137
ADPR C2	Preference shares – Plan 1	April 5, 2019	94,644	-	94,644	1 year	Feb. 15, 2024	151,430	31,104
ADPR C2	Preference shares – Plan 1	July 17, 2019	730,256	64,453	665,803	1 year	Feb. 15, 2024	1,065,285	232,275
ADPR C2	Preference shares – Plan 1	Aug. 1, 2019	104,269	-	104,269	1 year	Feb. 15, 2024	166,830	36,705
ADPR C2	Preference shares – Plan 2	Oct. 29, 2021	931,755	-	931,755	1 year	Feb. 15, 2024	74,540	5,597
		TOTAL	**6,658,300**	**346,953**	**6,311,347**			**6,401,761**	**1,185,818**

**The employer's 20% contribution for preference share plans was calculated based on the unit fair value of the shares as estimated at the grant date.*

Details of the preference share plans as at December 31, 2020 are as follows:

	Type of plan	Grant date	Number of shares granted	Number of shares canceled	Number of shares outstanding at Dec. 31, 2020	Legal vesting period of preference shares	End date for deferral of the share-based payment expense*	Fair value of preference shares outstanding at Dec. 31, 2020	2020 share-based payment expense (IFRS 2) (In €)
ADPR C2	Preference shares – Plan 1	Aug. 1, 2018	4,797,376	225,000	4,572,376	1 year	Feb. 15, 2024	5,006,637	905,350
ADPR C2	Preference shares – Plan 1	April 5, 2019	94,644	-	94,644	1 year	Feb. 15, 2024	151,430	31,189
ADPR C2	Preference shares – Plan 1	Jul. 17, 2019	730,256	64,453	665,803	1 year	Feb. 15, 2024	1,065,285	222,624
ADPR C2	Preference shares – Plan 1	Aug. 1, 2019	104,269	-	104,269	1 year	Feb. 15, 2024	166,830	15,285
		TOTAL	**5,726,545**	**289,453**	**5,437,092**			**6,390,182**	**1,174,448**

In accordance with IFRS 2 – Share-based Payment, the Group recognizes an expense for the fair value of the preference shares granted to employees. This expense is deferred and recognized over the vesting period of the shares. The corresponding entry is recognized in equity or as a liability depending on whether the share-based payment award will be settled in equity or cash. In the first case (i.e. for equity-settled awards), the fair value of the instruments is measured at the grant date and is not remeasured thereafter. In the second case (for cash-settled awards) the fair value of the instruments is remeasured at each reporting date until the share-based payment award is settled.

In view of the settlement terms of the Kapla Group's ADPR C2 preference share plans, they have been qualified as equity-settled.

	2021	2020
Preference shares outstanding at Jan. 1	5,437,092	5,501,545
Granted during the year	931,755	-
Canceled	(57,500)	(64,453)
Forfeited	-	-
Total free preference shares outstanding at Dec. 31	6,311,347	5,437,092

The weighted average fair value of the shares granted was calculated at the grant date using a Monte Carlo-type simulation model. For the ADPR C2 preference share plans, the dividend rate applied was 3%. The fair values at the grant date took into account expected dividends, with the valuation reduced by the present value of dividends expected to be paid during the vesting period.

The volatility rate applied for the four-year vesting period was 39.5% and the 4-year risk-free rate used was -0.57%.

Other instruments

The Group has also granted other instruments to managers that fall within the scope of IFRS 2:

- C1 preference shares: granted and paid at fair value (calculated by an independent valuer). These shares do not carry voting rights. However, they entitle their holders to a share of the Company's distributed profit and its Net Liquidation Assets, as provided for, and only as provided for, in Article 22 (Appropriation of profit) and Article 25 (Dissolution – Liquidation) of the Company's bylaws.
- TF preference shares linked to issued convertible bonds (bonds convertible into TF preference shares). Granted to financial investors and managers (2%). These shares entitle their holders to a priority, cumulative and exclusive share of the Company's distributed profit and its Net Liquidation Assets, as provided for, and only as provided for, in Article 22 (Appropriation of profit) and Article 25 (Dissolution - Liquidation) of the Company's bylaws. The TF preference shares would be automatically converted into ordinary shares in the event of an IPO.
- No IFRS 2 share-based payment expense has been recognized for these instruments as they are qualified as equity-settled transactions and the instruments were purchased by their beneficiaries at fair value at the grant date.
- Note: the ADPR C1 and ADPR TF instruments mentioned below are not exclusively held by group managers.

Note 7 Goodwill, intangible assets and property, plant and equipment

7.1 Goodwill

Accounting policies

The accounting policies applicable to goodwill are set out in *Note 3.2.5, Business combinations and asset acquisitions.*

Goodwill recognized in local currency is not amortized but is tested for impairment annually or more frequently when a triggering event (impairment indicator) occurs. For the purpose of impairment testing, goodwill is allocated to the Cash Generating Units or groups of Cash Generating Units that are expected to benefit from the business combination giving rise to the goodwill.

A Cash Generating Unit (CGU) is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. Goodwill is allocated by operating segment.

The Group's CGUs correspond to individual countries for international operations and to general and specialty rentals for France. The Group had six CGUs at December 31, 2021 (unchanged from December 31, 2020). The country-level CGUs, excluding France, are grouped together for the purpose of testing goodwill at international level. This group of CGUs corresponds to the Group's International operating segment, which represents the lowest level at which goodwill is monitored for internal management purposes.

Impairment testing consists of comparing the carrying amount of the CGU or group of CGUs with its recoverable amount, which corresponds to the higher of its fair value less costs of disposal and its value in use. Value in use is determined based on the present value of the future cash flows expected to be derived from the CGU. An impairment loss is recognized in the income statement when the carrying amount of a CGU exceeds its recoverable amount.

Goodwill impairment losses are recognized under "Non-recurring operating income and expenses" in the income statement *(see Note 4.6, Non-recurring operating income and expenses)* and may not be reversed.

The impairment testing methods used by the Group are described in *Note 7.4, Impairment of non-current assets.*

The impairment tests carried out in 2021 and 2020 in accordance with the method described above did not require the recognition of any impairment losses against goodwill.

Movements in goodwill in 2021 and 2020 were as follows:

In € millions	2021	2020
Carrying amount at Jan. 1	**769.0**	**742.9**
Acquisitions during the year	44.8	26.1
Currency translation differences	0.0	0.0
Carrying amount at Dec. 31	**813.8**	**769.0**
O/w impairment at Dec. 31	*0.0*	*0.0*

The main reason for the overall increase in goodwill in 2021 was the acquisition of new companies, which had an aggregate €45.3 million positive effect (La Centrale de Location, Jean Bart de Location, Salmat and AB Matériels in France, and Diaz Miqueles and Diaz Miqueles Montajes in Spain).

The overall increase in goodwill in 2020 was also primarily due to the acquisition of new companies, which had an aggregate €26.1 million positive effect (Wiesecker in Germany and Locamodul, Samlloc Modulaire and MC Loc in France).

Goodwill breaks down as follows by operating segment:

In € millions	Dec. 31, 2021	Dec. 31, 2020	Jan. 1, 2020
France – General rentals	555.6	518.0	518.0
France – Specialty rentals	42.4	43.1	31.1
International	215.8	207.8	193.8
Total goodwill	813.8	769.0	742.9

IFRS 3 disclosures

The five acquisitions carried out in 2021 as described in Note 1.2 are not individually material and the related disclosures are therefore presented below on an aggregate basis:

In € millions	Purchase price	Net assets acquired	Acquisition-related expenses
AGGREGATE AMOUNT – 2021	72.2	31.1	0.5

The goodwill recognized in respect of the newly-acquired companies is justified by the expected development of the acquired subsidiaries after their integration into the Group.

Companies acquired subsequent to the 2021 reporting period

The purchase price, net assets acquired and acquisition-related expenses for companies acquired after December 31, 2021 are as follows:

In € millions	Purchase price	Net assets acquired	Acquisition-related expenses
GSV	190.1	107.2	3.3
Hoelbaek Lift	11.9	7.2	0.4

Subject to the final allocation of the purchase price for these companies, the goodwill recognized for them is justified by their expected development following their integration into the Group.

GSV

On April 7, 2022, Kiloutou acquired GSV, Denmark's leading equipment rental company, for a purchase price of €190,152,825. Founded in 1964, GSV is the uncontested market leader in Denmark with an estimated market share of 22% at the acquisition date.

With 497 employees and 19 branches throughout Denmark, GSV serves small to large national customers in the construction and civil engineering industries and the public sector. GSV reported revenue of approximately €130 million in 2021.

Following the signature of the "Share Purchase Agreement" on March 17, 2022, between Kiloutou and the sellers – which were mainly investment funds (such as CataCap) – Kiloutou acquired all of GSV's shares.

The purpose of this acquisition is for Kiloutou to strengthen its international presence. €150 million of the purchase price was financed through debt and the acquisition-related expenses totaled €3.3 million.

Grupo Vendap

Kiloutou acquired Grupo Vendap, a Portuguese equipment rental company, on November 2, 2022. Following the signature of the "Share Purchase Agreement" at end-September 2022 between Kiloutou and the sellers – which were mainly investment funds – Kiloutou acquired all of Grupo Vendap's shares. As this acquisition was carried out so recently, the initial goodwill has not yet been calculated.

Holbæk Lift

The Group acquired Holbaek Lift for €11.9 million. €10 million of the purchase price was financed by debt and the acquisition-related expenses totaled €0.4 million.

Revenue and profit related to the acquired companies

The operations of the above newly-acquired companies are not reflected in the Group's revenue and profit figures for the period from January 1, 2021 to the acquisition date.

If the acquisitions carried out in 2021 and 2022 had taken place on January 1, 2021, the combined revenue and profit of Kiloutou and the acquired companies for the year ended December 31, 2021 would have been as follows:

In € millions	Revenue	Profit
Kiloutou Group	**828.7**	**13.4**
2021 acquisitions	**24.8**	**39.6**
Acquisition of GSV	131.5	11.0
Acquisition of Holbaek Lift	0.3	0.0
Total	**985.3**	**64.0**

These amounts were calculated by adding the revenue and profit figures presented in the acquired companies' individual financial statements to the corresponding figures reported in the Group's 2021 consolidated income statement.

Calculation of GSV goodwill:

	April 7, 2022	GSV
In €		
Purchase price at the transaction closing (A)		190,152,825
Proportionate share of net assets remeasured at fair value (B)		60,397,332
Provisional goodwill (A)-(B)		**129,755,493**
Cash acquired		13,101,936

The above goodwill has been calculated on a provisional basis and may be adjusted during the measurement period (up to 12 months following the acquisition date), as part of the process of identifying and measuring the identifiable assets acquired and liabilities assumed, any non-controlling interests and the consideration transferred.

7.2 Intangible assets

Accounting policies

Intangible assets consist mainly of software acquired or developed internally, acquired trademarks and customer relationships.

Following Kapla Holding's acquisition of the Kiloutou Group, the intangible asset analysis carried out identified that the following assets have a value: (i) the Kiloutou trademark, and (ii) customer relationships, in view of the significant amount of recurring revenue generated with customers over several years.

The value of the Kiloutou trademark was determined using the relief-from-royalty method (by capitalizing future royalties to infinity based on the assumption of a 1.5% annual growth rate and a post-tax discount rate of 8.1%). This intangible asset has an indefinite useful life.

The value of customer relationships was calculated by CGU, using detailed management analyses provided by Group Management. Based on these management analyses, "customer relationships" intangible assets were identified for the following CGUs: France – General rentals, International and France – Specialty rentals. The intangible assets recognized for these customer relationships are being amortized on a straight-line basis over a period of ten years,

The useful lives of the Group's main assets are as follows:

- Software: 1 to 5 years
- Customer relationships: 10 years

Intangible assets acquired separately by companies in the Group's scope of consolidation are recognized at cost, and those acquired through a business combination are recognized at fair value. Trademarks created and developed internally are not recognized in the statement of financial position. Only acquired trademarks that are identifiable, well known, and whose fair value can be reliably measured are carried in the statement of financial position, at the value determined at the date they are acquired.

Intangible assets with an indefinite useful life are not amortized but are tested for impairment at least once a year or whenever an event occurs that could affect their carrying amounts.

Intangible assets are carried at cost less any accumulated amortization and impairment losses.

Intangible assets are considered as having finite useful lives and are amortized on a straight-line basis over their estimated useful lives.

Intangible assets recognized in the consolidated statement of financial position break down as follows:

	Dec. 31, 2021			Dec. 31, 2020	Jan. 1, 2020
In € millions	Gross value	Amortization and impairment	Carrying amount	Carrying amount	Carrying amount
Trademarks	340.4	(0.4)	340.0	340.0	340.0
Customer relationships	147.0	(58.8)	88.2	103.0	117.9
Concessions, patents & similar rights	23.7	(19.8)	3.9	3.1	2.4
Intangible assets in progress	5.6	0.0	5.6	2.7	1.1
Other	0.5	(0.1)	0.5	0.4	0.7
INTANGIBLE ASSETS	517.3	(79.1)	438.2	449.2	462.1

Movements in intangible assets in 2021 and 2020 were as follows:

2021

In € millions	Trademarks	Customer relationships	Concessions, patents & similar rights	Intangible assets in progress	Other	Total
GROSS VALUE AT JAN. 1, 2021	340.4	147.0	21.0	2.7	0.5	511.6
Accumulated amortization and impairment losses	(0.4)	(44.1)	(17.9)	0.0	0.0	(62.5)
CARRYING AMOUNT AT JAN. 1, 2021	340.0	102.9	3.1	2.7	0.5	449.2
Acquisitions	0.0	0.0	1.8	3.7	0.0	5.5
Disposals	0.0	0.0	0.0	0.0	0.0	0.0
Impairment losses	0.0	0.0	0.0	0.0	0.0	0.0
Amortization	0.0	(14.6)	(1.9)	0.0	(0.1)	(16.6)
Currency translation differences	0.0	0.0	0.0	0.0	0.0	0.0
Reclassifications	0.0	0.0	0.9	(0.8)	0.0	0.0
CARRYING AMOUNT AT DEC. 31, 2021	340.0	88.3	3.9	5.6	0.4	438.2

2020

In € millions	Trademarks	Customer relationships	Concessions, patents & similar rights	Intangible assets in progress	Other	Total
GROSS VALUE AT JAN. 1, 2020	340.5	147.0	18.6	1.1	1.7	508.9
Accumulated amortization and impairment losses	(0.5)	(29.2)	(16.1)	0.0	(1.0)	(46.8)
CARRYING AMOUNT AT JAN. 1, 2020	340.0	117.9	2.4	1.1	0.7	462.1
Acquisitions	0.0	0.0	1.2	2.5	0.1	3.7
Disposals	0.0	0.0	0.0	(0.1)	0.0	(0.1)
Impairment losses	0.0	0.0	0.0	0.0	0.0	0.0
Amortization	0.0	(14.9)	(1.7)	0.0	0.2	(16.4)
Currency translation differences	0.0	0.0	0.0	0.0	(0.2)	(0.2)
Reclassifications	0.0	0.0	1.2	(0.9)	(0.3)	0.0
CARRYING AMOUNT AT DEC. 31, 2020	340.0	103.0	3.1	2.7	0.4	449.2

7.3 Property, plant and equipment

Accounting policies

Property, plant and equipment acquired in a business combination is recognized at fair value (see *Note 3.2.5, Business combinations and asset acquisitions)*.

Property, plant and equipment acquired other than in a business combination is carried at cost less any accumulated depreciation and impairment losses, with the exception of land, which is carried at cost less any impairment losses The various components of property, plant and equipment are recognized separately when their estimated useful lives and therefore their depreciation periods are significantly different. The cost of an item of property, plant and equipment includes the expenses that are directly attributable to its acquisition.

With the exception of land, property, plant and equipment is depreciated on a straight-line basis over its useful life, usually to zero, from the date it is brought into service, using a component approach.

The useful lives of the Group's main categories of property, plant and equipment are as follows:

- Buildings: 20 years
- Leasehold improvements, fixtures and fittings: 4 to 10 years
- Elevation equipment: 3 to 9 years
- Earth-moving equipment: 3 to 9 years
- Other equipment: 3 to 10 years
- Vehicles: 3 to 5 years
- Office and IT Equipment : 3 to 6 years
- Furniture: 3 to 10 years

Subsequent costs are included in the carrying amount of an item of property, plant and equipment or recognized as a separate component, where applicable, if the asset recognition criteria are met. These recognition criteria are (i) it is probable that future economic benefits associated with the asset will flow to Kapla Holding or one of the companies in its scope of consolidation, and (ii) the cost of the asset can be measured reliably. All other repair and maintenance costs are recognized in profit or loss as incurred.

Property, plant and equipment can be analyzed as follows:

	Dec. 31, 2021			Dec. 31, 2020	Jan. 1, 2020
In € millions	Gross value	Depreciation and impairment	Carrying amount	Carrying amount	Carrying amount
Land and buildings	204.4	(118.2)	86.2	84.2	83.9
Rental equipment	1,428.1	(938.4)	489.7	511.4	515.1
Operating lease rights of use	455.8	(305.3)	150.5	133.0	152.7
Other property, plant and equipment	89.6	(65.0)	24.6	24.7	20.6
PROPERTY, PLANT AND EQUIPMENT	2,177.9	(1,426.9)	751.0	753.2	772.4

Movements in property, plant and equipment in 2021 and 2020 were as follows:

2021

In € millions	Land and buildings	Rental equipment	Operating lease rights of use	Other property, plant and equipment	Total
GROSS VALUE AT JAN. 1, 2021	192.7	1,337.8	433.1	81.8	2,045.5
Accumulated depreciation and impairment losses	(108.5)	(826.4)	(300.2)	(57.1)	(1,292.2)
CARRYING AMOUNT AT JAN. 1, 2021	84.2	511.4	133.0	24.7	753.2
Acquisitions	7.9	116.2	60.8	7.7	192.7
Disposals	0.0	(5.4)	(0.2)	(0.1)	(5.8)
Impairment losses	0.0	0.0	0.0	0.0	0.0
Depreciation	(8.4)	(156.3)	(49.1)	(7.6)	(221.5)
Currency translation differences	0.0	(0.2)	0.0	0.0	(0.2)
Reclassifications and changes in scope of consolidation	2.6	24.1	6.0	0.0	32.6
CARRYING AMOUNT AT DEC. 31, 2021	86.2	489.7	150.5	24.6	751.0

2020

In € millions	Land and buildings	Rental equipment	Operating lease rights of use	Other property, plant and equipment	Total
GROSS VALUE AT JAN. 1, 2020	186.6	1,285.5	401.6	72.5	1,946.2
Accumulated depreciation and impairment losses	(102.7)	(770.4)	(248.9)	(51.9)	(1,173.9)
CARRYING AMOUNT AT JAN. 1, 2020	83.9	515.1	152.7	20.6	772.4
Acquisitions	6.6	127.8	33.2	9.9	177.5
Disposals	0.0	(5.2)	(1.2)	(0.1)	(6.5)
Impairment losses	0.0	0.0	0.0	0.0	0.0
Depreciation	(8.0)	(146.2)	(54.1)	(6.6)	(214.9)
Currency translation differences	(0.1)	(1.7)	(0.2)	0.0	(2.0)
Reclassifications and changes in scope of consolidation	1.7	21.5	2.7	0.9	26.7
CARRYING AMOUNT AT DEC. 31, 2020	84.2	511.3	133.0	24.7	753.2

Leases: IFRS 16

Accounting policies

IFRS 16 requires all leases to be recognized in the lessee's statement of financial position as a right-of-use asset with a corresponding financial liability. The leases identified by the Group where it is a lessee mainly concern the leasing of movable assets (rental fleet) and, to a lesser extent, real estate (branches, headquarters, etc.), vehicles, rental equipment and other equipment.

The Group has used the recognition exemptions available in IFRS 16 for (i) short-term leases (leases that, at the commencement date, have a term of 12 months or less), and (ii) leases for which the underlying asset is of low value.

Identification of leases

At inception of a contract, the Group assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if it conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

In assessing whether a contract conveys the right to control the use of an identified asset, the Group determines whether:

- The leased asset is explicitly or implicitly identified in the contract and is physically distinct or is a physically distinct portion of an asset.
- The supplier of the identified asset does not have a substantive right to substitute the asset.
- The Group has the right to obtain substantially all of the economic benefits from the use of the asset throughout the period of use.
- The Group has the right to direct the use of the asset.

In accordance with IFRS 16, leases are recognized in the statement of financial position in the form of a right of use of the leased asset ("right-of-use asset") and a financial liability ("lease liability") for the lease payments and other payments to be made during the lease term used to measure the lease liability.

The right-of-use asset is depreciated on a straight-line basis and the lease liability is measured on an amortized cost basis over the term of the lease. Interest expense on the lease liability is recorded in the income statement under "Cost of net debt related to equipment and logistics" and the depreciation expense on the right-of-use asset is recorded in the income statement under "Depreciation, amortization and impairment".

The discount rate used is 3.5% for "3/6/9 year" commercial leases in France and for 5/6 year equipment leases. A rate of 1.6% is used for short-term equipment leases (most have a term of less than 3 years).

At the commencement of a lease, the lease liability is recognized at an amount equal to the present value of the lease payments that are not paid at that date, including payments related to options that the lessee is reasonably certain to exercise. The lease term used to calculate the lease liability is determined following an economic analysis of any early termination, extension, renewal and purchase options for the underlying asset included in the non-cancelable period of the lease. Following initial recognition, the lease liability is subsequently measured at amortized cost using the effective interest method. Its carrying amount is increased to reflect interest on the lease liability and is reduced to reflect the lease payments made.

The Group's lease portfolio in France mainly comprises "3/6/9 year" commercial leases. For these leases, based on the economic analysis carried out by Kiloutou, the Group has chosen in general to apply a period of use of nine years. For commercial leases that are automatically renewable (after the nine-year period), the Group includes an additional period of use of approximately 24 months.

The Group carries out sale and leaseback transactions. Under these transactions, SCI Kiloutou Immobilier buys land and builds branch offices on it, which together form a real estate complex. It sells the real estate complex to HLD (or another Kapla Holding shareholder) after it has built the branches. The sale is carried out at a price deemed close to the market price. The Group considers that control of the real estate asset is transferred to the purchaser and that the transaction therefore constitutes a sale of the real estate asset to the purchaser. The Group then leases the real estate from the purchaser.

7.4 Impairment of non-current assets

Accounting policies

IAS 36 – Impairment of Assets, sets out the procedures that a company is required to follow to ensure that the carrying amounts of its property, plant and equipment, including right-of-use assets, and intangible assets, including goodwill, do not exceed their recoverable amounts, i.e. the amounts that will be recovered through their use or sale.

The recoverable amount of an asset is defined as the higher of its fair value less costs of disposal and its value in use.

Fair value less costs of disposal corresponds to the amount that would be received to sell an asset in an orderly transaction between market participants at the measurement date, less costs of disposal. Value in use is the present value of the future cash flows expected to be derived from continuing use of an asset and from its ultimate disposal.

Future cash flows are estimated based on business plans or budgets drawn up for the period until 2027, with a terminal value calculated by applying a constant growth rate of 1.5% (inflation rate). They are discounted based on post-tax long-term market rates that reflect current market assessments of the time value of money and the risks specific to the assets.

For property, plant and equipment (including right-of-use assets) and intangible assets (including goodwill), the recoverable amount is tested as soon as there is an indication that the asset may be impaired. These tests are also carried out once a year (in practice at December 31 in order to take account of the seasonal nature of the business) for assets with an indefinite useful life.

Cash flows are discounted at the post-tax weighted average cost of capital, plus a risk premium specific to each country.

The post-tax discount rates used for each group of assets in 2021 were 8.15% for the Group's CGUs in France and 8.65% for International CGUs.

The post-tax discount rates used for each group of assets in 2020 were 8.6% for CGUs in France and 8.9% for International CGUs.
The Kiloutou trademark, recognized as an intangible asset, is not amortized but is tested for impairment at least once a year.

Goodwill and intangible assets with an indefinite useful life must be systematically tested for impairment at least once a year. Other assets are tested whenever there is an indication that they may be impaired (e.g., a decrease in revenue, cash flows or profitability). For the purpose of these tests, the assets are grouped together into Cash Generating Units (CGUs). A CGU is the smallest group of assets which includes the assets to be tested for impairment that generates cash flows that are largely independent from those generated by other groups of assets. The groups of assets used for testing these assets are the France – General rentals CGU, (ii) the France – Specialty rentals CGU, and (iii) each country for international operations.

The annual impairment tests for goodwill are carried out at the level of (i) the France – General rentals CGU, (ii) the France – Specialty rentals CGU, and (iii) the International group of CGUs. For trademarks and support assets that cannot be fully allocated to a single group of assets, impairment tests are performed at the higher level (segment, group of CGUs etc.).

The rates used were as follows:

	Pivot value used			
Pivot value used	WACC	CoE	Growth rate	Headr./ badwill
Kiloutou				475
General rentals CGU	8.70%	12.00%	1.80%	242
Specialty rentals CGU	8.70%	12.00%	1.80%	140
International group of CGUs				93
Poland	9.70%	13.10%	2.40%	
Germany	8.50%	11.80%	1.80%	
Italy	9.20%	12.80%	1.80%	
Spain	8.80%	12.20%	1.80%	

	Discount rate = + 0.1%		Growth rate = - 0.2% Discount rate = + 0.7%	
Sensitivity analysis		Headr./ badwill		Headr./ badwill
Kiloutou		425		291
General rentals CGU		212		133
Specialty rentals CGU		134		117
International group of CGUs		79		41

Note 8 Equity and earnings per share

8.1. Equity

Share capital and share premium

Kapla Holding's share capital at December 31, 2021 was €5,106,730, divided into 509,808,254 shares with a par value of €0.01 each.

There were no movements in share capital in the year ended December 31, 2021:

Date	Share capital (in €)	Legal reserve (in €)	Share premium (in €)	Number of shares	Par value (in €)
December 31, 2020	5,106,730	-	484,893,272	509,808,254	0.01
December 31, 2021	5,106,730	-	484,883,955	509,808,254	0.01

Ownership structure in 2021 and 2020

The Company's ownership structure was as follows at December 31, 2021 and 2020:

(in number of shares)	2021	2020
Ordinary shares	93,237,241	93,237,241
Preference shares*	416,571,013	421,085,889
Number of shares representing the share capital at Jan. 1	**509,808,254**	**514,323,130**
Ordinary shares	93,237,241	93,237,241
Preference shares	416,571,013	416,571,013
Number of shares representing the share capital at Dec. 31	**509,808,254**	**509,808,254**

* Details in preference shares in note 6.4

Kapla Holding was majority-owned by Dentressangle at both December 31, 2021 and 2020.

When the preference shares vest, a 20% employer's contribution will be payable to the French payroll tax authorities (URSSAF) and a corresponding liability will need to be recognized. This expense will be deferred over the year in which the preference shares vest (see Note 6.4 for a description of the Group's preference share plans).

Reserves

No dividend was paid in 2021 for fiscal 2020.

Currency translation differences

Currency translation differences related to equity (attributable to owners of the parent) represented a €0.2 million unrealized gain at December 31, 2021 (versus a €2.7 million unrealized gain at December 31, 2020). These amounts related to changes in the Polish zloty exchange rate.

Note 9 Other provisions and contingent liabilities

9.1 Other Provisions

Accounting policies

In accordance with IAS 37, provisions are recognized when the Group has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The obligation may be legal, regulatory, or contractual and the amounts of the provisions are determined based on their nature and the most probable assumptions of the expenditure required to settle the obligation.

Provisions are discounted if the impact is deemed material and the discounting effect is recognized in operating profit.

Provisions for restructuring costs are recorded when a consolidated entity has a detailed formal plan for the restructuring and those affected by the plan have been notified of it.

Provisions that form part of the Group's normal business cycle, as well as the short-term portion of other provisions, are classified as current liabilities. Provisions that do not meet these criteria are classified as non-current liabilities.

The provisions recognized at December 31, 2021 include:

- Provisions for claims and litigation, intended to cover the risks incurred by the Group in connection with disputes with third parties.
- Provisions for restoring assets used under operating leases (utility vehicles and earth-moving vehicles).
- Other provisions for contingencies and charges. At December 31, 2021, this item mainly comprised provisions for risks related to employee tribunals and legal, tax and real estate disputes.

In € millions	Provisions for claims and asset restoration	Other provisions	Total
At January 1, 2020	**4.7**	**0.8**	**5.5**
Increases	1.6	0.0	1.6
Utilizations	0.0	(0.2)	(0.2)
Reversals	0.0	0.0	0.0
Changes in scope of consolidation	0.3	0.0	0.3
Transfers	0.0	0.0	0.0
Currency translation differences	0.0	0.0	0.0
At December 31, 2020	**6.5**	**0.6**	**7.2**
Non-current	6.5	0.6	7.2
Current	0.0	0.0	0.0
Total provisions	**6.5**	**0.6**	**7.2**
At January 1, 2021	**6.5**	**0.6**	**7.2**
Increases	0.2	0.0	0.2
Utilizations	(0.2)	(0.1)	(0.3)
Reversals	0.0	0.0	0.0
Changes in scope of consolidation	(0.2)	0.2	(0.1)
Transfers	(0.2)	0.0	(0.2)
Currency translation differences	0.0	0.0	0.0
At December 31, 2021	**6.1**	**0.7**	**6.9**
Non-current	6.1	0.7	6.9
Current	0.0	0.0	0.0
Total provisions	**6.1**	**0.7**	**6.9**

9.2 Contingent liabilities

Accounting policies

Group companies may be involved in litigation or disputes arising in the normal course of their operations, including disputes with tax authorities.

No exceptional circumstances or disputes had been identified at December 31, 2021 that could have a material impact on the revenue, earnings, assets or financial position of Kapla Holding and/or its subsidiaries for which the provisions estimated as necessary had not been recognized at the reporting date.

Note 10 Financing and financial instruments

Accounting policies

Financial assets are classified in three categories: assets at fair value through other comprehensive income (OCI), assets at fair value through profit or loss, and assets carried at amortized cost. The classification and measurement of financial assets is determined based on two criteria: the entity's business model for managing the financial asset and the contractual cash flow characteristics of the financial asset. Financial liabilities are classified in the following categories: financial liabilities at fair value through profit or loss, and liabilities carried at amortized cost. Management analyzes and classifies financial assets and liabilities on initial recognition based on their characteristics.

	Carrying amount at Dec. 31, 2021 under IFRS 9			Dec. 31, 2021	Dec. 31, 2020
In € millions	Amortized cost	At fair value through OCI	At fair value through profit or loss	Carrying amount	Carrying amount
ASSETS					
Non-current financial assets	4.6		2.9	7.5	7.8
Trade and other receivables	181.9			181.9	163.8
Cash and cash equivalents			114.3	114.3	190.2
LIABILITIES					
Long-term debt	1,136.8			1,136.8	1 082.3
Non-current lease liabilities	257.1			257.1	268.1
Other long-term provisions	6.9			6.9	7.2
Non-current financial instruments			10.7	10.7	26.0
Short-term debt	25		1.5	26.5	140.9
Current lease liabilities	131.1			131.1	133.5
Trade and other payables	188.0			188.0	147.5

IFRS 13 requires entities to classify financial instruments using a "fair value hierarchy" based on the inputs used to measure the fair value of each instrument. The hierarchy categories are as follows:

• Level 1: fair value measured by direct reference to quoted prices (not adjusted) available in active markets for identical assets or liabilities.

• Level 2: fair value measured based on inputs other than quoted prices included in Level 1 that are either directly or indirectly observable for the asset or liability.

• Level 3: fair value measured using valuation techniques based on non-observable inputs.

Derivative instruments (in particular interest rate swaps) are classified as at fair value through profit or loss.

Changes in fair value of financial instruments in 2021:

In € millions	Interest rate swaps	Diesel swaps	Conversion options	Financial instruments
Fair value hierarchy level	Level 1	Level 1	Level 3	
Fair value at beginning of year	(22.0)	0.1	0.0	(21.9)
Change in fair value through OCI	-	-	-	
Change in fair value through profit or loss	12.4	0.2	0.0	12.6
Fair value at year-end	(9.5)	0.3	(0.1)	9.3
Financial instruments recorded under assets	2.6	0.3	-	2.9
Financial instruments recorded under liabilities	12.2	-	0.1	12.2

Changes in fair value of financial instruments in 2020:

In € millions	Interest rate swaps	Diesel swaps	Conversion options	Financial instruments
Fair value hierarchy level	Level 1	Level 1	Level 3	
Fair value at beginning of year	(20.2)		(0.1)	(20.3)
Change in fair value through OCI	-	-	-	
Change in fair value through profit or loss	(1.8)	0.1	0.0	(1.6)
Fair value at year-end	(22.0)	0.1	0.0	(21.9)
Financial instruments recorded under assets	4.0	0.1	-	4.1
Financial instruments recorded under liabilities	26.0		0.0	26.0

10.1 Debt and lease liabilities

Covenants linked to the new high-yield bond financing

The bond financing set up on December 12, 2019 requires the Group to comply with several bank covenants. These covenants are mainly designed to set a framework for any new borrowings or one-off payments outside the scope of the Group's ordinary, recurring activities.
None of these covenants had been breached at either December 31, 2021 or December 31, 2020.

10.1.1 Debt

The Group's debt breaks down as follows:

2021

In € millions	At Dec. 31, 2020	Changes with cash impact	Capitalized interest	Changes in scope of consolidation	Exchange rate impact	Other	At Dec. 31, 2021
Bonds	1 064,7	1,4	19,3	0,0	0,0	1,0	1 086,3
Long-term borrowings	16,9	32,8	0,0	1,8	0,0	(1,8)	49,8
State-guaranteed loans	0,7	(7,6)	0,0	0,0	0,0	7,7	0,7
Long-term debt	**1 082,3**	**26,5**	**19,3**	**1,8**	**0,0**	**6,9**	**1 136,8**
Bonds	1,3	0,0	0,0	0,0	0,0	0,0	1,3
Short-term borrowings	139,2	(117,2)	0,0	10,8	(0,1)	(10,8)	21,8
State-guaranteed loans	0,4	1,5	0,0	0,0	0,0	0,0	1,9
Bank overdrafts	0,1	0,0	0,0	0,0	0,0	0,0	0,1
Short-term bank loans and other borrowings used to finance rental equipment	0,0	(1,9)	0,0	0,0	0,0	1,9	0,0
Short-term debt	**140,9**	**(117,6)**	**0,0**	**10,8**	**(0,1)**	**(8,9)**	**25,0**
TOTAL DEBT	1 223,2	(91,1)	19,3	12,6	(0,1)	(2,0)	1 161,9

2020

In July 2020, the Company received a €125 million State-guaranteed loan.
€75 million of this amount was repaid on the one-year maturity date in July 2021.

In € millions	At Dec. 31, 2019	Changes with cash impact	Capitalized interest	Changes in scope of consolidation	Exchange rate impact	Other	At Dec. 31, 2020
Bonds	1 046,3	(0,2)	17,7	0,0	0,0	1,0	1 064,7
Long-term borrowings	23,2	(12,5)	0,0	4,3	0,0	1,9	16,9
State-guaranteed loans	0,7	(0,1)	0,0	0,0	0,0	0,0	0,7
Long-term debt	**1 070,2**	**(12,8)**	**17,7**	**4,3**	**0,0**	**2,9**	**1 082,3**
Bonds	1,1	0,0	0,0	0,0	0,0	0,0	1,3
Short-term borrowings	16,0	123,2	0,0	0,0	0,0	0,0	139,2
State-guaranteed loans	0,4	0,0	0,0	0,0	0,0	0,0	0,4
Bank overdrafts	0,1	0,0	0,0	0,0	0,0	0,0	0,1
Short-term bank loans and other borrowings used to finance rental equipment	0,0	0,2	0,0	0,0	(0,2)	0,0	0,0
Short-term debt	**17,6**	**123,3**	**0,0**	**0,0**	**(0,2)**	**0,0**	**140,9**
TOTAL DEBT	1 087,8	110,5	17,7	4,4	(0,2)	2,9	1 223,2

Analysis of debt by maturity:

2021

In € millions	At Dec. 31, 2021	Due within 1 year	Due between 1 and 5 years	Due beyond 5 years
Convertible bonds	231.2	0.0	0.0	231.2
Other bonds	855.1	1.3	853.9	0.0
Total bonds	**1,086.3**	**1.3**	**853.9**	**231.2**
Miscellaneous borrowings	73.2	21.8	51.4	0.0
Short-term bank borrowings	0.1	0.1	0.0	0.0
Borrowings from financial institutions	**73.3**	**21.9**	**51.4**	**0.0**
Employee profit-sharing	0.6	0.3	0.4	0.0
Other	1.6	0.1	0.0	0.0
Other borrowings other than from financial institutions	**2.2**	**1.9**	**0.4**	**0.0**
Total debt	1,161.9	25.0	905.6	231.2

2020

In € millions	At December 31, 2020	Due within 1 year	Due between 1 and 5 years	Due beyond 5 years
Convertible bonds	211.9	0.0	0.0	211.9
Other bonds	854.0	1.3	0.0	852.8
Total bonds	**1 065.9**	**1.3**	**0.0**	**1 064.7**
Miscellaneous borrowings	156.1	139.2	16.9	0.0
Short-term bank borrowings	0.1	0.1	0.0	0.0
Borrowings from financial institutions	**156.2**	**139.3**	**16.9**	**0.0**
Employee profit-sharing	1.0	0.3	0.7	0.0
Other	0.1	0.1	0.0	0.0
Other borrowings other than from financial institutions	**1.0**	**0.4**	**0.7**	**0.0**
Total debt	1,223.2	140.9	17.5	1 064.7

Convertible bonds

Face value (in currency)	Year of issue	Maturity	Initial effective interest rate (%)	2021 (in € millions)	2020	2019
EUR 165,000,000	Feb 2018	10 years	9.09%	231.2	211.9	194.2
TOTAL BONDS AND NOTES				231.2	211.9	194.2

In February 2018, Kapla Holding – the holding company of the Kiloutou Group – issued 165 million bonds convertible into TF preference shares ("ADPR TF" convertible bonds) with a face value of €1 per bond.

These convertible bonds bear interest at a rate of 9.09% p.a. from the Issue Date until the date they are converted or redeemed.

The ADPR TF preference shares entitle their holders to a "cumulative priority amount" (see Article 22 of the Company's bylaws).

Based on an IFRS analysis of the convertible bonds, the Group identified a liability component and an equity component which is not material but has been recognized.

Reconciliation of total net debt (including lease liabilities)

In € millions	Dec. 31, 2021	Dec. 31, 2020	Jan. 1, 2020
Convertible bonds	231.2	211.9	194.2
Other bonds	855.1	854.0	851.9
Long-term portion of bonds	1,086.3	1 064.7	1 046.3
Exlcuding Convertible bonds	(231.2)	(211.9)	(194.2)
Long-term borrowings	49.8	16.9	23.2
Non-current lease liabilities	257.1	268.1	280.1
Non-current financial instruments	10.7	26.0	20.6
Current financial instruments	1.5	0.0	0.0
Short-term portion of bonds	1.3	1.3	1.1
Short-term borrowings	21.8	139.2	16.0
Bank overdrafts	0.1	0.1	0.1
Current lease liabilities	131.1	133.5	132.8
Gross borrowings	**1,328.4**	**1,437.8**	**1,326.0**
Cash and cash equivalents	114.3	190.2	104.7
O/w bank overdrafts	*0.1*	*0.1*	*0.1*
Net cash and cash equivalents	**114.4**	**190.3**	**104.8**
Other current financial assets	2.6	4.1	0.4
TOTAL NET DEBT	1,211.4	1 243.4	1,220.8

10.1.2 Lease liabilities

Lease liabilities break down as follows:

2021

In € millions	At Dec. 31, 2020	Changes with cash impact	Changes in scope of consolidation	Exchange rate impact	Other	At Dec. 31, 2021
Lease liabilities – Finance leases	164.4	(38.1)	23.1	0.0	(4.3)	152.9
Lease liabilities – Residual value	11.2	(3.5)	0.0	0.0	0.0	7.7
Lease liabilities – Operating leases	92.4	40.7	1.7	0.0	(37.4)	97.4
Non-current lease liabilities	**268.1**	**(1.1)**	**24.8**	**0.0**	**(41.7)**	**257.1**
Lease liabilities (< one year)	133.5	(44.4)	0.3	0.0	41.7	131.1
Current lease liabilities	**133.5**	**(44.4)**	**0.3**	**0.0**	**41.7**	**131.1**
TOTAL LEASE LIABILITIES	401.6	(45.5)	25.1	0.0	0.0	388.2

2020

In € millions	At Dec. 31, 2019	Changes with cash impact	Changes in scope of consolidation	Exchange rate impact	Other	At Dec. 31, 2020
Lease liabilities – Finance leases	158.2	2.1	4.1	0.0	0.1	164.4
Lease liabilities – Residual value	11.9	(0.7)	0.0	0.0	0.0	11.2
Lease liabilities – Operating leases	109.9	19.7	2.4	(0.2)	(39.4)	92.4
Non-current lease liabilities	**280.1**	**24.2**	**6.4**	**(0.2)**	**(39.3)**	**268.1**
Lease liabilities (< one year)	132.8	(38.2)	0.3	(0.1)	38.7	133.5
Current lease liabilities	**132.8**	**(38.2)**	**0.3**	**(0.1)**	**38.7**	**133.5**
TOTAL LEASE LIABILITIES	412.8	(14.0)	6.8	(0.3)	(0.6)	401.6

10.2 Financial Income and Expense

In € millions	2021	2020
Income and expenses related to derivative financial instruments	6.5	(6.5)
Currency translation differences	0.0	0.0
Cost of discounting employee benefits	0.0	0.0
Cost of net debt related to lease liabilities	(9.0)	(10.0)
Cost of net debt related to other borrowings	(49.4)	(45.8)
Other financial expenses	(0.3)	(2.0)
NET FINANCIAL EXPENSE	(52.2)	(64.3)

10.3 Management of financial risks

In order to manage its interest rate risk, the Group holds a portfolio of derivative financial instruments consisting of interest rate swaps. These instruments are contracted over the counter with leading counterparties. They are recognized in the statement of financial position when they are contracted.

Transactions that had not been unwound at the end of the reporting period are marked to market using generally accepted valuation models and techniques and based on value assumptions supplied by market analysis firms or banks.

The Group analyzes the characteristics of its financial instruments based on its exposure to interest rate risk. The classification it uses for its derivatives (notably interest rate swaps) is financial instruments at fair value through profit or loss.

See *Note 10.5, Non-current financial instruments*.

Transactions carried out in 2021 and 2020:

The Group added to its portfolio of interest rate hedging instruments in 2021 and 2020.

The Group also set up specific hedges to protect it against its exposure to changes in fuel supply costs, in the form of gas oil swaps and diesel swaps. These instruments do not qualify as hedging instruments as there is no formal documentation of the hedging relationship.

		Interest rate range	Maturity	Fair value
Gas oil & Diesel swaps	-	300.95 - 318	Dec. 31, 2021	€(0.8) million

10.4. Non-current financial instruments

Accounting policies

The full fair value of a hedging derivative is recognized as a non-current asset or liability when the residual maturity of the hedged item exceeds 12 months and as a current asset or liability when the residual maturity of the hedged item is less than 12 months.

All derivative instruments held by the Group are classified in Level 1 of the fair value hierarchy.
As the Group has elected not to apply hedge accounting it recognizes all changes in the fair value of swaps directly in financial income and expenses.

	Nominal value	Nature of floating rate	Interest rate range	Maturity	Fair value
Fixed-rate lender	€2,206 million	3-to-6-month EURIBOR	0.00% to -0.820%	2023 - 2026	€(8.7) million
Variable-rate lender	€380 million	6-month EURIBOR	-0.213% to -0.233%	2019 - 2024	€(0.8) million

10.5 Other financial assets

In € millions	Dec. 31, 2021	Dec. 31, 2020	Jan. 1, 2020
Other non-current financial assets	7.5	7.8	3.6
Other non-current financial assets	2.9	4.1	0.4
Financial assets carried at amortized cost	0.0	0.0	0.0
Deposits and advance payments	2.9	0.0	0.0
Other non-current investments	0.0	0.0	0.0
Loans (gross)	2.9	0.0	0.0
TOTAL NON-CURRENT FINANCIAL ASSETS	7.5	7.8	3.6
Current financial assets	0.0	0.0	0.1
Accrued interest receivable	0.0	0.0	0.0
Current accounts	0.0	0.0	0.1
TOTAL CURRENT FINANCIAL ASSETS	0.0	0.0	0.1

10.6. Cash and cash equivalents

Accounting policies

Cash and cash equivalents correspond to short-term, highly liquid instruments such as marketable securities and bonds with original maturities of less than three months that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value. Financial instruments classified as cash and cash equivalents are carried at fair value through profit or loss.

In € millions	Dec. 31, 2021	Dec. 31, 2020	Jan. 1, 2020
Cash at bank and in hand	102.0	178.2	97.7
Accrued interest	12.3	12.0	7.0
Cash and cash equivalents	**114.3**	**190.2**	**104.7**
CASH AND CASH EQUIVALENTS PRESENTED IN THE STATEMENT OF FINANCIAL POSITION	114.3	190.2	104.7

In € millions	Dec. 31, 2021	Dec. 31, 2020	Jan. 1, 2020
Cash and cash equivalents	114.3	190.2	104.7
Bank overdrafts	0.0	0.0	0.1
CASH AND CASH EQUIVALENTS PRESENTED IN THE STATEMENT OF CASH FLOWS	114.3	190.3	104.7

Note 11 Income tax

11.1 Tax assets and liabilities

Accounting policies

Deferred tax assets and liabilities are recognized for all temporary differences between the tax base of assets and liabilities and their carrying amounts, except when a deferred tax liability (i) arises from the initial recognition of goodwill that is not deductible for tax purposes, or (ii) relates to taxable temporary differences associated with investments in associates and interests in joint ventures when it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred taxes are calculated by the liability method, using the tax rates that are enacted or substantially enacted at the reporting date. The effect of changes in tax rates is recognized in profit or loss, except when the changes relate to items that were included directly in equity or other comprehensive income on initial recognition.

Both current and deferred taxes are recognized directly in equity or other comprehensive income when they relate to an item that on initial recognition was included in equity or other comprehensive income.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority. Deferred tax assets and liabilities are not discounted and are classified in the statement of financial position as non-current assets and liabilities.

Tax losses and other temporary differences only give rise to the recognition of a deferred tax asset when it is probable that they will be offset against future taxable profits within a reasonable period of time or when it is possible to offset them against deferred tax liabilities.

The income tax rates used for calculating deferred taxes are 25.82% for the French companies, 19% for the Polish companies, 25% for the Spanish subsidiaries, 24% for the Italian companies, and 26% for the German entities.

French CVAE tax

In France, the previously-applicable business tax was abolished in 2010 and replaced by two new taxes: the CVAE (*Contribution sur la valeur ajoutée des Entreprises*) and the CFE (*Contribution Foncière des Entreprises*).

The Group examined the accounting treatment applied to these two French taxes in line with IFRS, and decided to account for them separately from one another, as follows:

- The CFE tax, whose amount is based on property rental values, is recognized in operating expenses.
- The CVAE tax, which, following its analysis the Group considers meets the definition of income tax as set out in IAS 12.2 –Income Taxes, is included in “Income tax expense".

Analysis of current tax assets and liabilities

In € millions	Dec. 31, 2021	Dec. 31, 2020
Current tax assets	**5.1**	**11.9**
Current tax liabilities	**129.5**	**134.3**
TOTAL	124.4	122.4

Analysis of deferred tax assets and liabilities

In € millions	Dec. 31, 2021			Dec. 31, 2020		
	Assets	Liabilities	Net	Assets	Liabilities	Net
Arising on temporary differences						
Intangible assets		110.5	110.5		114.2	114.2
Property, plant and equipment	(3.1)	5.1	8.2	(3.1)	5.3	8.4
Right-of-use assets	7.9	18.4	10.6	7.9	16.9	8.9
Employee benefits	0.5		(0.5)	0.4		(0.4)
Derivative instruments	2.4		(2.4)	5.7		(5.7)
Other and reclassifications	(3.2)	(4.5)	(1.3)	(2.6)	(2.1)	0.5
Arising on tax loss carryforwards	**0.7**		**(0.7)**	**3.6**		**(3.6)**
DEFERRED TAX ASSETS AND LIABILITIES	5.1	129.5	124.4	11.9	134.3	122.4

Unrecognized deferred taxes

For France, deferred taxes on tax loss carryforwards are recognized. They are recorded as a deduction from the overall deferred tax liability.
In view of the Group's business model, no deferred tax is recognized on non-deductible financial expenses that can be carried forward under the so-called ATAD mechanism.

For foreign subsidiaries, deferred tax bases amounting to €12.3 million at December 31, 2021 relating to tax loss carryforwards have not been recognized because their recovery is not considered probable within the meaning of IAS 12.

Movements in deferred tax assets and liabilities

In € millions	2021	2020
Net deferred tax assets/liabilities at Jan. 1	**122.4**	**134.8**
Recognized in profit	2.0	(12.5)
Recognized in equity	0.0	0.0
Other movements	0.0	0.0
Net deferred tax assets/liabilities at Dec. 31	**124.4**	**122.4**

11.2 Income Tax Expense

Analysis of the net income tax

In € millions	Year ended Dec. 31, 2021	Year ended Dec. 31, 2020
Current tax	(6.6)	(0.2)
CVAE	(3.6)	(5.8)
Deferred tax	(2.3)	2.9
INCOME TAX EXPENSE	(12.5)	(3.0)

Tax proof

In € millions	Year ended Dec. 31, 2021	2021 effective tax rate	Year ended Dec. 31, 2020	2020 effective tax rate
Pre-tax profit of consolidated companies	**25.8**		**(39.8)**	
Theoretical rate		**25.82%**		**25.82%**
Theoretical income tax expense	**(6.7)**		**10.3**	
Permanent differences				
Tax loss carryforwards				
ATAD cap and cap on non-deductible financial expenses	(7.9)		(12.1)	
CVAE tax	(3.6)		(5.8)	
Other (including additional depr./amort. expense introduced by the French government), unrecognized tax losses and impact of different tax rates)	5.7		4.6	
ACTUAL INCOME TAX EXPENSE	(12.5)		(3.0)	

Note 12 Other items in the statement of financial position

12.1 Other non-current receivables

This item includes prepaid expenses, derivatives used as hedges and other non-current receivables.

12.2 Inventories and Work in Progress

The ownership or rights to use the inventory listed below are not subject to any major restrictions. Spare parts and consumables are measured based on the latest known prices, including incidental expenses. Provisions for impairment of inventories are determined based on turnover forecasts for each category of inventory. The inventory accounting method used is the "first in, first out" (FIFO) method.

In € millions	Dec. 31, 2021	Dec. 31, 2020	Jan. 1, 2020
Goods for resale and raw materials (gross)	13.3	14.1	10.8
Spare parts	5.1	4.2	3.7
Goods and services in progress	8.8	7.0	4.2
Impairment of goods for resale and raw materials	(3.7)	(4.0)	(2.6)
Other	0.1	0.1	0.5
TOTAL INVENTORIES, NET	23.6	21.4	16.6

12.3 Trade and other receivables

Accounting policies

Trade receivables are amounts due from customers for services provided in the normal course of business. They are initially recognized based on the amount of the consideration expected and are subsequently measured at amortized cost less any impairment losses.

Impairment losses for receivables carried at amortized cost are measured using the expected credit loss (ECL) approach based on the credit risk of the customer concerned, with credit losses corresponding to the difference between the present value of expected future cash flows and the original contractual cash flows or the amount outstanding as recognized in the consolidated statement of financial position. A collective impairment loss is recognized for a group of assets if the assets within the group have similar credit risk characteristics.

A breakdown of the impairment losses recorded for trade receivables is provided in the table below.

Trade receivables of Kiloutou's main French operating subsidiary represent 64% of the Group's total trade receivables. For this subsidiary, receivables more than 90 days past due account for 10% of the overall gross amount. These receivables are tested for impairment as described above.

(in € thousands)	Dec. 31, 2021	Dec. 31, 2020	Jan. 1, 2020
Amounts due from suppliers	2.8	2.6	3.4
Trade receivables	177.7	162.5	184.4
Impairment of doubtful receivables	(18.7)	(20.1)	(14.6)
Other tax receivables	8.4	8.1	0.0
Insurance settlements receivable	0.0	0.0	0.0
Prepayments	0.0	0.0	0.0
Employee-related receivables	11.2	9.5	6.4
Deposits and other receivables	0.5	1.2	0.7
TOTAL TRADE AND OTHER RECEIVABLES	181.9	163.8	180.3

The Kiloutou Group has put in place a credit management policy that allows it to assess the solvency of its customers. Unpaid balances are monitored, with regular reports and regular tracking of financial information related to customers. Provisions for write-offs of receivables are recorded at each month-end for amounts considered as irrecoverable.

All trade and other receivables are due within one year.

Movements in net trade and other receivables in 2021 and 2020 were as follows:

In € millions	2021	2020
Net trade and other receivables at Jan. 1	**163.8**	**180.3**
Impairment of doubtful receivables	(0.8)	(1.1)
Movements during the year	(2.8)	(17.8)
Changes in scope of consolidation	14.0	4.5
Receivables written off during the year	4.0	1.9
Reversal of impairment	0.0	0.0
Currency translation differences	(0.1)	(0.4)
Other movements	3.8	(3.7)
Net trade and other receivables at Dec. 31	**181.9**	**163.8**

12.4 Trade and other payables

Trade payables are recognized at fair value, which corresponds to their nominal amount. All trade and other payables are due within one year.

In € millions	Dec. 31, 2021	Dec. 31, 2020	Jan. 1, 2020
Trade payables	89.3	68.7	74.6
Amounts due to suppliers & prepayments	1.2	0.8	0.5
Accrued payroll and other taxes	80.7	64.0	69.5
Sundry short-term payables	17.7	14.1	15.9
Current income tax payables	3.1	2.1	2.3
Other	(0.8)	28.3	31.9
TOTAL TRADE AND OTHER PAYABLES	188.0	147.5	160.4

Note 13 Off-balance sheet commitments

13.1 Commitments given

At December 31, 2021, commitments given totaled €1.5 million, breaking down as follows:

In € millions	Dec. 31, 2021	Dec. 31, 2020
Real-estate rent bonds	-	-
Pledges of bank accounts	860.7	860.0
Pledges of receivables	646.4	627.9
Pledges of business bases	1.6	1.5
Other guarantees given	5.8	12.2
TOTAL COMMITMENTS GIVEN	1,514.5	1,501.6

Related-party commitments – 2021:

In € millions	Shareholder current accounts	Convertible bonds	Interest on convertible bonds	Trade payables	Interest on convertible bonds	Management fees
	Statement of financial position	Statement of financial position	Statement of financial position	Statement of financial position	Income statement	Income statement
Related-party transactions	0.0	165.0	66.2	0.0	19.3	0.0

Related-party commitments – 2020:

In € millions	Shareholder current accounts	Convertible bonds	Interest on convertible bonds	Trade payables	Interest on convertible bonds	Management fees
	Statement of financial position	Statement of financial position	Statement of financial position	Statement of financial position	Income statement	Income statement
Related-party transactions	0.0	165.0	46.9	0.0	17.7	0.1

Note 14 First-time adoption of IFRS (IFRS 1)

14.1 Transition approach

These financial statements, for the year ended December 31, 2021, are the first the Group has prepared in accordance with IFRS. IFRS 1 – First-time Adoption of IFRS has been applied to all periods presented as from the transition date, i.e. January 1, 2020.

Accordingly, the Group has prepared financial statements that comply with IFRS applicable as at December 31, 2021. The accounting policies described in Note 3 and in each of the notes to the consolidated financial statements were applied in the preparation of (i) the financial statements for the year ended December 31, 2021 and the comparative 12-month period ended December 31, 2020, and (ii) the opening consolidated statement of financial position at January 1, 2020.

For periods up to and including the year ended December 31, 2021, the Group prepared its consolidated financial statements in accordance with the accounting principles generally accepted in France (French GAAP).

Application of mandatory exemptions

In accordance with IFRS 1, first-time adopters are required to retrospectively apply a number of mandatory exemptions to IFRS. The Group has applied the mandatory exemptions related to:

- Classification and measurement of financial instruments.
- Impairment of financial assets.

The other mandatory exceptions are not applicable to the Group.

Application of Optional exemptions

IFRS 16 – Leases

The Kapla Group became a first time adopter of IFRS later than its parent company, Dentressangle. In accordance with IFRS 1.D16, the Group elected to measure its assets and liabilities at the carrying amounts that would be included in Dentressangle's consolidated financial statements prepared in accordance with IFRS. The amounts recognized by the Group at January 1, 2020 in relation to leases pursuant to IFRS 16 therefore correspond to those recognized for the Kapla Group in Dentressangle's IFRS consolidated financial statements at that date.

Optional exemptions not applied

IFRS 3 – Business Combinations

IFRS 3 – Business Combinations has been applied retrospectively to acquisitions of subsidiaries that are considered businesses under IFRS, and to acquisitions of shares in associates and joint ventures that occurred before the IFRS transition date, i.e. January 1, 2020 (see *Note 3.2.5 – Business combinations and asset acquisitions*).

A questionnaire was set up to determine, on an acquisition-by acquisition basis, whether acquisitions should be accounted for as a business combination or an asset acquisition, pursuant to the amendments to the definition of a business in IFRS 3.

IFRS 16 – Leases

The Group elected not to apply the optional recognition exemption for lease liabilities and right-of-use assets related to leases that had a residual term of less than 12 months at the transition date.

IAS 21 – The Effects of Changes in Foreign Exchange Rates

The Group did not use the exemption available for recognizing cumulative translation differences whereby:

- the cumulative translation adjustment for all foreign operations is deemed to be zero at the date of transition to IFRS; and
- the gain or loss on the subsequent disposal of a foreign operation must exclude translation differences that arose before the date of transition to IFRS and must include later translation differences.

14.2 Reconciliation of equity

		Equity attributable to owners of the parent							
In € millions	**Note**	**Equity**	**Share premium**	**Treasury shares**	**Consolidated reserves**	**Reserves - Other comprehensive income**	**Equity attributable to owners of the parent**	**Non-controlling interests**	**Total equity**
Equity at Jan. 1, 2020 - French GAAP		**5.1**	**484.9**	-	**9.1**	-	**499.1**	**0.0**	**499.1**
IAS 19 - post-employment benefit obligations					2.3	-	2.3		2.3
Deferred taxes on post-employment benefit obligations					(0.6)	-	(0.6)		(0.6)
IFRS 9 - trade receivables					(0.1)	-	(0.1)		(0.1)
Deferred taxes on receivables					0.0	-	0.0		0.0
IFRS 9 - JV Derivative instruments					(10.2)	-	(10.2)		(10.2)
JV deferred taxes					2.6		2.6		2.6
Restatement of net acquisition-related expenses (IFRS 3)					(9.8)	-	(9.8)		(9.8)
IFRS 16 – Leases					(6.9)	-	(6.9)		(6.9)
Deferred taxes - IFRS 16					1.8		1.8		1.8
Other					0.1		0.1		0.1
Total IFRS adjustments		0.0	0.0	0.0	(20.7)	0.0	(20.7)	0.0	(20.7)
Equity at Jan. 1, 2020 - IFRS		**5.1**	**484.9**	**-**	**(11.6)**		**478.4**	**0.0**	**478.4**

In € millions	Note	Equity attributable to owners of the parent							Non-controlling interests	Total equity
		Equity	Share premium	Treasury shares	Subordinated shares	Consolidated reserves	Reserves - Other comprehensive income	Equity attributable to owners of the parent		
Equity at Dec. 31, 2021 - French GAAP		**5.1**	**484.9**	**-**	**-**	**(21.3)**	**-**	**463.6**		**463.6**
IAS 19 - post-employment benefit obligations						0.0	-	0.0		0.0
Deferred taxes on post-employment benefit obligations						0.0	-	0.0		0.0
IFRS 9 - trade receivables						(0.1)	-	(0.1)		(0.1)
Deferred taxes on receivables						0.0	-	0.0		0.0
IFRS 9 - JV Derivative instruments						(2.0)	-	(2.0)		(2.0)
JV deferred taxes						0.9		0.9		0.9
Restatement of net acquisition-related costs (IFRS 3)						(10.3)	-	(10.3)		(10.3)
IFRS 16 – Leases						(6.6)	-	(6.6)		(6.6)
Deferred taxes - IFRS 16						1.7		1.7		1.7
Other						(0.1)		(0.1)		(0.1)
Total IFRS adjustments		0.0	0.0	0.0	0.0	(16.5)	0.0	(16.5)	0.0	(16.5)
Equity at Dec. 31, 2021 - IFRS		**5.1**	**484.9**	**-**	**-**	**37.8**		**447.1**	**0.0**	**447.1**

		2021						
In € millions	**Note**	**Revenue**	**Operating profit**	**Net financial expense**	**Income tax**	**Profit for the year**	**Other comprehensive income**	**Total comprehensive income**
French GAAP		792.9	76.4	(54.6)	(11.0)	9.6	0.0	9.6
IFRS 2 – Share-based Payment			(1.2)		0.3	(0.9)		(0.9)
IFRS 3 – Business Combinations			(0.5)			(0.5)		(0.5)
IFRS 9 – Financial Instruments				7.0	(1.8)	5.2		5.2
IFRS 15 – Revenue from Contracts with Customers			0.0			0.0		0.0
IFRS 16 – Leases			4.9	(4.6)	0.0	0.3		0.3
IAS 1 – Presentation of Financial Statements		35.8				0.0		0.0
IAS 12 – Income Taxes						1.2		1.2
- Tax effect of restatements								
- Reclassification of income tax items								
IAS 19 – Employee benefits			0.4		0.1	0.5		0.5
Other			(1.9)		(0.1)	(2.0)		(2.0)
Exchange differences arising on translation of foreign operations								
IFRS		828.7	78.0	(52.2)	(12.5)	13.4		13.4

CFS reconciliation 12/2021	Note	French GAAP	IFRS 16	Other information	IFRS
Net cash inflow from operating activities	**A**	**243.9**	**57.2**	**0.1**	**301.1**
Net cash (outflow) from investing activities	**B**	**(193.0)**	**(60.6)**	**(0.2)**	**(253.7)**
Net cash inflow/(outflow) from financing activities	**C**	**(126.7)**	**3.4**	**0.1**	**(123.2)**

14.3 Description of the main impacts of the transition to IFRS

IAS 19 – Employee Benefits

Under French GAAP, obligations under defined benefit plans were recognized in operating expenses in the income statement when the related expenses were incurred.

Under IFRS, obligations under defined benefit plans are recognized in the statement of financial position (see *Note 6.3, Employee benefits*).

The amounts shown in the table above primarily represent:

- The Group's obligation related to its defined benefit plans, recognized as a provision.
- The corresponding defined benefit expense, recognized in operating expenses, and the corresponding actuarial gains and losses, recognized in other comprehensive income.

Lastly, at January 1, 2020, the Group applied the IFRIC agenda decision issued in May 2021 on attributing benefit to periods of service.

IFRS 9 – Financial Instruments

The approach applicable under IFRS 9 differs in many respects from French GAAP. The application of IFRS 9 had the following impact on the consolidated financial statements:

- Interest expense on borrowings – which was recognized on a straight-line basis over the term of the corresponding borrowings under French GAAP – is recognized using the effective interest rate method under IFRS.
- Impairment losses on trade receivables – which were calculated on the basis of a provision matrix and an analysis of doubtful receivables – are now calculated using the expected credit loss model under IFRS 9.

As permitted in IFRS 9, the Group now uses a provision matrix based on historical losses incurred (over 4 years or 3 years depending on the information available).

IFRS 9 requires forward-looking information to be incorporated into the impairment calculations but such information is not considered to be significant for the Group, particularly as it does not expect to see any changes in defaults in the sector in which it operates. However, this will be monitored over time and will be incorporated if and when necessary.

Finally, when a risk is identified, a case-by-case analysis is performed and an impairment loss is recognized to cover the risk over the entire life of the receivable.

- The Group does not apply hedge accounting as the documentation required for qualifying its hedges is not available. Impacts related to changes in the fair value of hedging instruments recorded in the statement of financial position (French GAAP divergence) are now recognized directly in the income statement and the underlying items are not remeasured.

IFRS 16 – Leases

IFRS 16 requires all leases to be recognized in the lessee's statement of financial position as a right-of-use asset with a corresponding financial liability. The leases identified by the Group where it is a lessee mainly concern the leasing of movable assets (rental fleet) and, to a lesser extent, real estate (branches, headquarters, etc.), vehicles, rental equipment and other equipment.

IAS 12 – Income Taxes - Tax effect of restatements

The amounts shown in these lines reflect the tax effect of the restatements made between French GAAP and IFRS that are included in profit for the period and equity (see *Note 11.1, Tax assets and liabilities*).

IAS 12 – Income Taxes - Reclassification of income tax items

The French CVAE tax is considered and accounted for as an income tax in accordance with IAS 12, in line with the position adopted for preparing the parent company financial statements (see *Note 11.1, Tax assets and liabilities*).

KAPLA HOLDING

Statutory Auditors' report
on the consolidated financial statements

(For the year ended December 31, 2021)

PricewaterhouseCoopers Audit
63, rue de Villiers
92208 Neuilly-sur-Seine Cedex

KPMG SA
36 rue Eugène Jacquet
59705 Marcq en Baroeul

Statutory Auditors' report
on the consolidated financial statements

(For the year ended December 31, 2021)

This is a free translation into English of the Statutory Auditors' report issued in French and is provided solely for the convenience of English speaking readers. This report includes information specifically required by European regulations or French law, such as information about the appointment of Statutory Auditors. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

KAPLA HOLDING
30 BIS RUE SAINTE HÉLÈNE
69002 LYON, FRANCE

To the Shareholders,

Opinion

In compliance with the engagement entrusted to us by your Annual General Meeting for KPMG and your by-laws for PricewaterhouseCoopers Audit, we have audited the accompanying consolidated financial statements of Kapla Holding SAS for the year ended December 31, 2021.

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 at December 31, 2021 and of the results of its operations for the year then ended in accordance with French accounting principles.

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 these standards are further described in the "Responsibilities of the Statutory Auditors relating to the audit of the consolidated financial statements" section of our report.

Independence

We conducted our audit engagement in compliance with the independence rules provided for in the French Commercial Code (*Code de commerce*) and the French Code of Ethics (*Code de déontologie*) for Statutory Auditors for the period from January 1, 2021 to the date of our report.

Emphasis of matter

Without qualifying our opinion, we draw your attention to:

- Note 4.7 "Retirement Benefit Obligations" to the consolidated financial statements, which sets out the change in accounting policy relating to the measurement of retirement benefit obligations for certain defined benefit plans in connection with the November 5, 2021 amendment to ANC recommendation 2013-02.
- Note 4.1.1 "Changes in Accounting Policies" to the consolidated financial statements, which describes the change in accounting policy relating to the first-time application of ANC regulation 2020-01, the impact and implementation of which are detailed in Notes 4.4 "Receivables and Payables" and 7.1.4.4 "Other items recorded under liabilities" to the consolidated financial statements

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 matters that, in our professional judgment, were the most significant in our audit of the consolidated financial statements.

These matters were addressed as part of our audit of the consolidated financial statements as a whole, and therefore contributed to the opinion we formed as expressed above. We do not provide a separate opinion on specific items of the consolidated financial statements.

Changes in accounting policies

As mentioned in the first section of this report, Notes 4.7 and 4.1.1 to the consolidated financial statements describe the accounting changes resulting from the November 5, 2021 amendment to ANC recommendation 2013-02 and the first-time application of ANC regulation 2020-01 to the consolidated financial statements.

As part of our assessment of the accounting policies applied by the Company, we verified that these changes in the aforementioned accounting policies and their corresponding presentation were justified.

Accounting policies

Note 4.8 "Financial Instruments" and Note 7.1.5 "Financial Instruments" to the consolidated financial statements set out the accounting principles and policies related to the recognition of financial instruments and a provision for risks arising on financial instruments not qualifying for hedge accounting.

As part of our assessment of the accounting principles applied by the Company, we verified the appropriateness and correct application of the aforementioned accounting policies and ensured that the notes to the financial statements contained appropriate disclosures.

Accounting estimates

Goodwill and unamortizable intangible assets (including trademarks) were tested for impairment in accordance with the methods described in Note 3.4.2 " Accounting treatment of valuation adjustments, Goodwill and Other Intangible Assets", and in Note 7.1.1.1 "Intangible assets" to the consolidated financial statements.

Based on the information provided to us, our work consisted in assessing the data underlying the impairment tests, including by examining the updated profitability outlook of the businesses in question and verifying the consistency of the assumptions used with the forecast data from the strategic plans prepared by each of the businesses, under the supervision of senior management.

As part of our assessments, we also ensured that the estimates were reasonable.

Specific verifications

As required by legal and regulatory provisions and in accordance with professional standards applicable in France, we have also performed the specific verifications on the information pertaining to the Group presented in the Chairman's management report.

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 preparing consolidated financial statements giving a true and fair view in accordance with French accounting principles, and for implementing the internal control procedures it deems necessary for the preparation of consolidated financial statements that are free of 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 expects to liquidate the Company or to cease operations.

The consolidated financial statements were approved by the Chairman.

Responsibilities of the Statutory Auditors relating to 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 of 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 taken by users on the basis of these consolidated financial statements.

As specified in Article L.823-10-1 of the French Commercial Code, our audit does not include assurance on the viability or quality of the Company's management.

As part of an audit conducted in accordance with professional standards applicable in France, the Statutory Auditors exercise professional judgment throughout the audit.

They also:

- identify and assess the risks of material misstatement in the consolidated financial statements, whether due to fraud or error, design and perform audit procedures in response to those risks, and obtain audit evidence considered to be sufficient and appropriate to provide a basis for their opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of the internal control procedures 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;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management and the related disclosures in the notes to the consolidated financial statements;
- assess 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 the audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the Statutory Auditors conclude that a material uncertainty exists, they are required to draw attention in the audit report to the related disclosures in the consolidated financial statements or, if such disclosures are not provided or are inadequate, to issue a qualified opinion or a disclaimer of opinion;
- evaluate the overall presentation of the consolidated financial statements and assess whether these statements represent the underlying transactions and events in a manner that achieves fair presentation;
- obtain 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 Auditors are responsible for the management, supervision and performance of the audit of the consolidated financial statements and for the opinion expressed thereon.

Neuilly-sur-Seine and Marcq-en-Barœul, April 6, 2022

The Statutory Auditors

PricewaterhouseCoopers Audit — KPMG SA Eric

Alexandre Decrand — Delebarre

KAPLA HOLDING

Consolidated Financial Statements

for the Year Ended December 31, 2021

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1 Consolidated Balance Sheet and Income Statement

Consolidated Balance Sheet

ASSETS In € millions	Notes	Dec. 31, 2021 NET	Dec. 31, 2020 NET
Intangible assets	**7.1.1.1**	**1,176.1**	**1,141.8**
o/w goodwill		736.2	690.9
o/w trademarks		340.0	340.0
o/w customer relationships		88.2	102.9
o/w software and other		9.9	6.2
o/w leasehold rights		1.7	1.7
Property, plant and equipment	**7.1.1.2**	**608.3**	**620.2**
o/w land and buildings		88.2	85.9
o/w rental equipment		497.5	511.3
o/w other		22.7	23.0
Other financial fixed assets	**7.1.1.3**	**4.6**	**3.7**
Investments accounted for by the equity method		**0.0**	**0.0**
TOTAL FIXED ASSETS		**1,789.0**	**1,765.8**
Inventories & work in progress	**7.1.2.1**	**23.6**	**21.4**
Trade receivables	**7.1.2.2**	**159.1**	**142.4**
Other receivables including deferred tax assets	**7.1.2.3**	**36.4**	**49.1**
Marketable securities	**7.1.2.4**	**12.3**	**12.0**
Cash in bank and at hand	**7.1.2.4**	**102.0**	**178.2**
TOTAL CURRENT ASSETS		**333.4**	**403.2**
TOTAL ASSETS		**2,122.4**	**2,168.9**

EQUITY AND LIABILITIES	Notes	Dec. 31, 2021	Dec. 31, 2020
		NET	NET
Share capital		5.1	5.1
Additional paid-in capital		484.9	484.9
Consolidated reserves		(32.6)	7.1
Consolidated net income		**9.6**	**(42.0)**
Exchange differences		(1.2)	(1.1)
Equity attributable to owners of the parent	**7.1.3**	**465.8**	**454.0**
Minority interests		**0.0**	**0.0**
TOTAL EQUITY		**465.8**	**454.0**
Provisions for restoring assets used under operating leases		3.6	3.6
Other provisions		13.2	21.3
Provisions for contingencies and charges	**7.1.4.1**	**16.7**	**24.9**
Bonds	**7.1.4.3**	**1,092.5**	**1,073.2**
o/w convertible bonds		231.2	211.9
o/w other bonds		861.3	861.3
Borrowings from financial institutions	**7.1.4.3**	**306.2**	**408.6**
o/w bank borrowings		73.2	156.1
o/w finance leases for equipment		232.8	252.2
o/w finance leases for real estate		0.1	0.2
o/w short-term bank borrowings		0.1	0.1
Other borrowings	**7.1.4.3**	**7.7**	**11.2**
Finance leases−residual value		7.7	11.2
Other borrowings other than from financial institutions	**7.1.4.3**	**0.7**	**1.0**
o/w employee profit sharing		0.6	1.0
o/w deposits and guarantees		0.1	0.1
Trade payables	**7.1.4.4**	**89.3**	**68.7**
o/w due to general suppliers		84.1	64.5
o/w due to suppliers of fixed assets		5.3	4.1
Other payables and accruals including deferred tax liabilities	**7.1.4.4**	**143.5**	**127.3**
TOTAL LIABILITIES		**1,640.0**	**1,690.1**
TOTAL EQUITY AND LIABILITIES		**2,122.4**	**2,168.9**

Consolidated Income Statement

In € millions	Notes	Kiloutou 12 months Year ended Dec. 31, 2021 12 months		Kiloutou 12 months Year ended Dec. 31, 2020 12 months	
REVENUE FROM RENTALS		555,7	70,08%	456,9	70,72%
REVENUE FROM SERVICES AND SUB-LEASES		237,2	29,92%	189,2	29,28%
TOTAL REVENUE		**792,9**	**100,00%**	**646,1**	**100,00%**
NET LOSSES/(GAINS) ON EQUIPMENT SALES/RETIREMENTS		(30,5)	-3,85%	(28,3)	-4,39%
MAINTENANCE COSTS		62,5	7,88%	50,6	7,83%
OWNERSHIP COSTS		167,1	21,07%	162,4	25,13%
LOGISTICS COSTS		62,0	7,82%	50,5	7,81%
OTHER COSTS		52,4	6,61%	42,5	6,58%
TOTAL EQUIPMENT AND LOGISTICS COSTS		**313,4**	**39,53%**	**277,6**	**42,97%**
GROSS PROFIT		**479,5**	**60,47%**	**368,5**	**57,03%**
WAGES AND PAID VACATION PROVISIONS		157,3	19,84%	136,4	21,11%
PAYROLL TAXES AND TRAINING LEVY		56,9	7,17%	48,6	7,53%
PERFORMANCE BONUSES		19,5	2,46%	9,3	1,44%
OTHER EXPENSES		17,1	2,15%	8,5	1,31%
TOTAL PAYROLL COSTS		**250,7**	**31,62%**	**202,8**	**31,39%**
ADVERTISING COSTS		**6,1**	**0,77%**	**5,5**	**0,85%**
OVERHEADS		**69,3**	**8,74%**	**61,5**	**9,51%**
RENTAL COSTS		**63,7**	**8,03%**	**58,6**	**9,07%**
NET EXPENSE FOR DOUBTFUL RECEIVABLES		**1,4**	**0,18%**	**3,1**	**0,48%**
OTHER OPERATING INCOME AND EXPENSES, NET		**(2,7)**	**-0,34%**	**(0,6)**	**-0,09%**
OPERATING INCOME before depreciation, amortization and impairment of goodwill		**91,1**	**11,49%**	**37,6**	**5,82%**
DEPRECIATION, AMORTIZATION AND IMPAIRMENT OF GOODWILL		**14,7**	**1,85%**	**14,7**	**2,28%**
OPERATING INCOME after depreciation, amortization and impairment of goodwill		**76,4**	**9,63%**	**22,9**	**3,54%**
FINANCIAL EXPENSES	**7.2.4**	**54,6**	**6,89%**	**59,8**	**9,26%**
EXTRAORDINARY INCOME (-) AND EXPENSES (+)	**7.2.6**	**1,2**	**0,15%**	**1,8**	**0,27%**
INCOME TAX		**11,0**	**1,39%**	**3,3**	**0,51%**
CONSOLIDATED NET INCOME/(LOSS)		**9,6**	**1,21%**	**(42,0)**	**-6,50%**
Net income (loss) for the period attributable to minority interests		0,0	0,00%	0,0	0,00%
NET INCOME FOR THE PERIOD ATTRIBUTABLE TO OWNERS OF THE PARENT		**9,6**	**1,21%**	**(42,0)**	**-6,50%**
EBITDA		**257,9**	**32,53%**	**201,6**	**31,20%**
Earnings (loss) per share (in €)		**0,02**		**-0,08**	

2 Statement of Cash Flows and Statement of Changes in Equity

Statement of Cash Flows

In € millions	Kiloutou 12 months Year ended Dec. 31. 2021 12 months	Kiloutou 12 months Year ended Dec. 31. 2020 12 months
Net income (loss) of consolidated entities	**9.6**	**(42.0)**
Net income for the period attributable to minority interests	0.0	0.0
Depreciation, amortization and provisions (Note 7.2.3)	166.8	164.0
Amortization of fair value adjustments to intangible assets (Note 7.1.1.2)	14.7	14.7
Interest expenses (Note 7.2.4)	54.6	59.8
Income tax (Note 7.1.4.2)	11.0	3.3
Extraordinary income and expenses (Note 7.2.6)	1.2	1.8
EBITDA	**257.9**	**201.6**
Change in working capital (excl. changes in deferred taxes)	**24.5**	**2.0**
Increase/decrease in inventories	*(0.6)*	*(4.5)*
Increase/decrease in trade receivables	*(5.3)*	*24.1*
Increase/decrease in trade payables	*15.8*	*(8.6)*
Other movements	*14.6*	*(9.0)*
Extraordinary expenses paid	**(1.2)**	**(1.8)**
Financial expenses paid	**(41.1)**	**(41.3)**
Income tax paid	**2.3**	**0.4**
CVAE tax paid	**(3.6)**	**(5.8)**
Net book value of fixed assets and disposals of real estate assets	**5.2**	**5.2**
NET CASH GENERATED FROM OPERATING ACTIVITIES (A)	**243.9**	**160.4**
CAPEX	**(137.4)**	**(148.3)**
o/w investments in equity	*(82.9)*	*(66.2)*
o/w investments in finance leases	*(54.5)*	*(82.1)*
Change in amounts due to suppliers of fixed assets	**1.1**	**1.3**
Cash flows from financial fixed assets	**0.1**	**(0.1)**
Net proceeds from disposals of fixed assets	**0.2**	**0.9**
Impact of changes in scope of consolidation	**(57.0)**	**(42.5)**
NET CASH USED IN INVESTING ACTIVITIES (B)	**(193.0)**	**(188.7)**
Capital increase	0.0	0.0
Increase in borrowings from financial institutions	10.0	245.0
Increase in other borrowings	0.4	(0.0)
Setting up new finance leases	54.5	82.3
Dividends paid	(0.0)	0.0
Decrease in debt	(94.8)	(135.3)
Decrease in finance lease liabilities	(96.9)	(77.8)
NET CASH GENERATED FROM FINANCING ACTIVITIES (C)	**(126.7)**	**114.2**
Net increase in cash and cash equivalents	(75.8)	85.9
Effect of exchange rate changes on cash and cash equivalents	(0.1)	(0.4)
Cash and cash equivalents at beginning of period	190.1	104.6
Cash and cash equivalents at end of period	**114.3**	**190.1**

The Group works with "mixed" suppliers, providing equipment, parts and consumables. Flows relating to these suppliers (trade and non-trade) are recorded under a global entry. The type of supplier therefore does not have an impact on the "Change in amounts due to suppliers of fixed assets".

• Cash and cash equivalents break down as follows:

In € millions	At Dec. 31, 2021	At Dec. 31, 2020
Marketable securities	12.3	12.0
Cash in bank and at hand	102.0	178.2
Short-term bank loans and overdrafts	(0.1)	(0.1)
Total	**114.3**	**190.1**

• Cash flows related to finance leases

When a finance lease is entered into, the corresponding cash flows are included in cash flows from both investing activities and financing activities.

Detailed information about the Group's investments and financing is provided in Notes 7.1.1.3 and 7.1.4.3, respectively.

The portion of lease payments under finance leases that corresponds to financial expenses is included in cash flows from operating activities.

The portion of lease payments that corresponds to the repayment of the principal amount of finance leases is included in cash flows from financing activities (under "Decrease in finance lease liabilities").

• EBITDA

EBITDA corresponds to consolidated net income for the period before depreciation, amortization and provisions, impairment of goodwill, intangible assets, interest, income tax and extraordinary income and expenses.

Consequently, after elimination of the above items, it corresponds to the Group's revenue from operations carried out in the normal course of its business (rentals, services, sales of rental equipment recognized as fixed assets, etc.).

• Impact of changes in scope of consolidation

This cash flow statement line corresponds to net cash flows related to purchases of shares in consolidated companies (purchase cost of shares of €72.2 million less cash acquired for €15.4 million).

Consolidated Statement of Changes in Equity

In € millions	Share capital	Additional paid-in capital	Consolidated reserves	Net income (loss) for the period	Exchange differences	Equity attributable to owners of the parent
At December 31, 2019	**5.1**	**484.9**	**18.6**	**(9.7)**	**0.2**	**499.1**
Change in share capital of the parent company	0.0	0.0	0.0	0.0	0.0	0.0
Appropriation of net income/(loss)	0.0	0.0	(9.7)	9.7	0.0	0.0
Other movements	0.0	0.0	(0.4)	0.0	0.0	(0.4)
Net income (loss) for the period	0.0	0.0	0.0	(42.0)	0.0	(42.0)
Dividends paid by the parent company	0.0	0.0	0.0	0.0	0.0	0.0
Exchange differences	0.0	0.0	(1.4)	0.0	(1.3)	(2.7)
At December 31, 2020	**5.1**	**484.9**	**7.1**	**(42.0)**	**(1.1)**	**454.0**
At December 31, 2020	**5.1**	**484.9**	**7.1**	**(42.0)**	**(1.1)**	**454.0**
Change in share capital of the parent company	0.0	0.0	0.0	0.0	0.0	0.0
Appropriation of net income (loss)	0.0	0.0	(42.0)	42.0	0.0	0.0
Other movements	0.0	0.0	2.4	0.0	0.0	2.4
Net income (loss) for the period	0.0	0.0	0.0	9.6	0.0	9.6
Dividends paid by the parent company	0.0	0.0	0.0	0.0	0.0	0.0
Exchange differences	0.0	0.0	(0.1)	0.0	(0.1)	(0.2)
At December 31, 2021	**5.1**	**484.9**	**(32.6)**	**9.6**	**(1.2)**	**465.8**

The €2.4 million impact in "Other movements" for the period corresponds mainly to the restatement of retirement benefit obligations following the adoption of ANC recommendation 2013-02.

3 Consolidation Principles and Methods

The consolidated financial statements for the year ended December 31, 2021 were drawn up based on French generally accepted accounting principles set out in ANC regulation 2020-01.

Kapla Holding's parent company, Kapla Holding SAS, prepares consolidated financial statements for its entire group.

3.1 General Information

The notes to these consolidated financial statements are presented in millions of euros.

The consolidated financial statements for the year ended December 31, 2021 show the following:

- Total assets: €2,122.4 million.
- Net income for the period attributable to owners of the parent: 9.6 million euros.

3.2 Applicable Accounting Principles

The consolidated financial statements for the year ended December 31, 2021 were drawn up based on French accounting standards set out in ANC regulation 2020-01 of October 9, 2020.

All of the companies in the Group prepare their financial statements in accordance with the going concern principle.

3.3 Significant Events of the Year

Controlling interests acquired by the Kapla Group in 2021:

In 2021, the Kapla Group acquired control of various companies. Depending on the date they were acquired, these companies have been consolidated as from the dates stated below:

- La Centrale de Location (LCDL) group, specialized in the rental of earthmoving equipment for the construction and public works sector in the north of the Auvergne-Rhône-Alpes region was acquired in May;
- SALMAT SAS and Jean Bart de Location (JBL) SAS, two French general rental businesses located in Normandy and in northern France, were acquired in July;
- Diaz Miqueles and Diaz Miqueles Montajes, two Spanish general rental companies located in the Torrejón area were acquired in July;
- Almaq, a Spanish company based in the Aragon region, was acquired in November;
- AB Matériels, a French company located in the Vaucluse department, was acquired in December.

During 2021, Locamodul SAS, Samlloc Modulaire SAS, MC Loc SAS and La Centrale de Location SAS, together with the German companies Kiloutou Midekke, M+S Arbeitsbühnen and Butsch Meier Baden were all merged into the Kapla Group.

Locamodul SAS, Samlloc Modulaire SAS and MC Loc SAS were dissolved after their assets and liabilities had been transferred to Kiloutou Module SAS in a "TUP" business transfer procedure.

Midekke, M+S Arbeitsbühnen and Butsch Meier Baden were dissolved after their assets and liabilities had been transferred to Kiloutou Deutschland GmbH in a "TUP" business transfer procedure.

La Centrale de Location SAS was dissolved after its assets and liabilities had been transferred to Kiloutou SAS in a "TUP" business transfer procedure.

As this merger was between two companies that are wholly owned by the Group, it did not have any impact on the consolidated financial statements.

Kiloutou Group remarkably resilient to the Covid-19 crisis

The Covid-19 health crisis continued throughout 2021 and is still ongoing as of the reporting date. It did not have a material impact on the consolidated financial statements.

A pattern has emerged whereby the equipment rental sector has not been adversely affected by the health crisis and in certain respects, it has actually benefited from it. Customers are tending to rent rather than buy. The maintenance-renovation market is booming on the back of government energy-saving renovation subsidies.

Moreover, due to the unstable geopolitical situation since February 24, 2022, the economic outlook is uncertain in Europe and France. As of the reporting date, the Company's ability to continue as a going concern is not in question. As the Group does not operate in Ukraine or Russia, it is not directly impacted. The Company is closely monitoring the consequences of the political conflict and especially its potential impact on business in 2022. European governments are forecasting price increases, particularly for energy, and continued inflationary pressure.

3.4 Basis of Consolidation

3.4.1 Consolidation Methods

All of the Group's companies are fully consolidated.

All material transactions between Group companies are eliminated on consolidation as well as unrealized gains on intercompany transactions (capital gains, dividends, etc.).

3.4.2 Accounting treatment of valuation adjustments, Goodwill and Other Intangible Assets

The identifiable assets and liabilities of acquired companies are measured at their initial cost, which is the price that the acquiring entity would have been willing to pay had it acquired the identified assets and liabilities separately.

Where necessary, adjustments are recorded to recognize the assets and liabilities at their initial cost, along with the corresponding deferred taxes. Any goodwill, badwill, valuation adjustments or transaction costs related to shares purchased prior to the date on which control is acquired are eliminated on consolidation as they are not considered to be identifiable assets or liabilities.

Any difference between (i) the acquisition cost of the shares of a newly consolidated company (including net-of-tax transaction costs) and (ii) the acquisition-date fair value of the identifiable assets and liabilities acquired, is recognized under "Goodwill" in the consolidated balance sheet.

Following the transposition of Directive 2013/34/EU of the European Parliament into French law by Government Order no. 2015-900 and Decree no. 2015-903 of July 23, 2015, goodwill recognized on the acquisition of consolidated companies is not amortized as the activities to which the goodwill relates do not have any foreseeable limit given the long-term viability of the rental business.

Impact of the acquisition of the Kiloutou Group by Kapla Holding in 2018:

The intangible assets identified by the Group correspond to the value of (i) a trademark, and (ii) customer relationships, in view of the recurring revenue generated with customers.

The value of the trademark concerned was measured using the relief-from-royalty method (by capitalizing future royalties to infinity based on the assumption of a 1.5% annual growth rate and an 8.43% discount rate).

Customer relationships have been recognized as intangible assets in view of the highly recurring nature of revenue identified for certain business units. Based on the business unit analyses used by Group management, customer relationship intangible assets have been identified for the following business units: (i) general rentals in France, (ii) specialist rentals in France, and (iii) general rentals in Poland, Italy and Germany.

The intangible assets recognized for these customer relationships were amortized on a straight-line basis over a period of ten years, with the recognition of corresponding deferred taxes.

Property, plant and equipment were measured at fair value. Only real estate assets are revalued, with the revaluations based on values provided by real estate valuation experts, which are updated where necessary to take into account changes in the local property markets in the countries where the assets are located. Revalued assets have been depreciated over their useful life based on the revalued consolidated gross value.

Impairment of assets

ANC Standard 2015-06 regarding the Chart of Accounts and ANC Standard 2015-07 regarding consolidated financial statements issued by the French accounting standards-setter (*Autorité des Normes Comptables*)

define the procedures to be applied by an entity to ensure that the carrying amount of its property, plant and equipment and intangible assets (including goodwill) does not exceed their recoverable amount, i.e., the amount that will be recovered through their use or sale.

The recoverable amount represents the higher of fair value and value in use.

Fair value corresponds to the price that would be set in a binding sale agreement under arm's length conditions.

- Fair value can also be a price quoted on an active market.
- Fair value can also be estimated by reference to recent transactions involving similar assets in the same business sector (e.g., multiples).

Value in use represents the value of future economic benefits expected to arise from the use of an asset and from its disposal. Future economic benefits represent the present value of the estimated net cash flows expected to be generated by the asset (or group of assets).

The Group calculated the value in use of its different groups of assets based on the "net flows" recoverable in equity method, which were then adjusted for net debt.

"Net flows" recoverable in equity include cash flows from recurring operations, capital expenditure, investments in external growth projects and their impact on the business, debt service and changes in debt and working capital, together with all of the related tax effects.

Cash flows are estimated based on business plans or budgets covering the period through 2027, and a terminal value is calculated.

Flows are discounted using the Cost of Equity (CoE), calculated at post-tax, long-term market rates that reflect current market assessments of the time value of money and risks specific to the assets. The discount rates used are between 12% and 13.1%, depending on the operating country within the groups of assets.

The terminal value is calculated using the perpetual growth method applied to cash flow from operating activities (including capex). The terminal value is calculated by applying a perpetual growth rate of between 1.8% and 2.4%, depending on the country (calculated in line with the inflation rate in each country) and based on the Weighted Average Cost of Capital (WACC). The discount rate used differs for each operating country within the groups of assets and ranges from 8.5% to 9.2%.

After factoring in these different parameters, the business valuations obtained indicated that no impairment losses needed to be recognized at either Group level or against any groups of assets.

	Pivot Value			
Pivot Value	**WACC**	**CoE**	**Growth in %**	**Headr. /badwill**
Kiloutou				**514**
UGT−France Generalist	8.7%	12.0%	1.8%	**288**
UGT−France Specialist	8.7%	12.0%	1.8%	**138**
UGT−International				**89**
Poland	9.7%	13.1%	2.4%	**3**
Germany	8.5%	11.8%	1.8%	**25**
Italy	9.2%	12.8%	1.8%	**59**
Spain	8.8%	12.2%	1.8%	**2**

A sensitivity analysis was performed by increasing the discount rate or lowering the growth rate used. A 0.1%increase in the discount rate would require us to recognize an impairment loss against one of the groups of assets. A 0.7% increase in the discount rate, combined with a 0.2% reduction in the growth rate would require us to book an impairment loss for the different international subsidiaries outside of Italy.

Sensitivity Analysis	Disc. rate = +0.1% Headr. /badwill	Growth rate = +0.2% Disc. Rate = +0.7% Headr. /badwill
Kiloutou	464	175
UGT−France Generalist	258	89
UGT−location de spécialité	131	94
UGT−International	75	(9)
Poland	1	(9)
Germany	19	(18)
Italy	54	29
Spain	0	(11)

Besides goodwill and intangible assets with an indefinite useful life (brands, customer relationships), which are to be tested for impairment at least once a year, the recoverable amount of an asset is estimated whenever there is evidence that the asset may have suffered a loss in value (loss in revenue, decrease in cash flows, lower profitability).

To perform these tests, assets are grouped together into Cash Generating Units (CGUs). CGUs are the smallest group of assets which includes the assets to be tested for impairment that generate cash flows that are largely independent from those generated by other groups of assets. For goodwill, trademarks and corporate assets that could not be allocated in full to a CGU, the impairment tests are performed at a larger level (group of legal entities or country, etc.).

No loss in value came to light as a result of the impairment tests carried out in 2021 as in 2020, and no impairment was therefore recognized.

3.4.3 Fiscal Year-End

All Group companies had a December 31, 2021 fiscal year-end.

3.4.4 Foreign Currency Translation

Income and expense items of subsidiaries located outside the euro zone are translated at average exchange rates for the year.

Balance sheet items are translated at the closing rate at the balance sheet date and all resulting exchange differences are recognized in a separate line in equity.

Summary of accounting options used by the Kapla Holding Group in its consolidated financial statements:

- Recognition of a provision for all retirement benefit obligations.
- Restatement of leases and similar operations;
- Amortization of debt issuance costs over the life of the corresponding debt.
- Recognition in the consolidated balance sheet of exchange differences recorded in the individual financial statements of consolidated companies.
- Expensing of business incorporation, start-up and transformation costs.

4 Summary of Significant Accounting Policies

4.1 Changes in Accounting Policies or Measurement Methods

4.1.1 Changes in Accounting Policies

The application of ANC regulation 2020-01 constitutes a change in accounting policy and the impacts of this change are detailed in the different notes, particularly in Note 7.1.4.4 Other items recorded under liabilities.

In accordance with the ANC recommendations, the Group has opted to apply the new method for attributing defined benefit entitlements to periods of service, as described in Note 4.7 Retirement Benefit Obligations.

4.1.2 Changes in Estimates and Assumptions

There were no changes in the estimates or assumptions used by the Group in 2021.

4.1.3 Error Corrections

No error corrections were made in 2021.

4.2 Property, Plant and Equipment and Intangible Assets

4.2.1 Measurement Methods

Property, plant and equipment and intangible assets are measured at their acquisition cost, excluding any related borrowing costs.

Intangible assets primarily include:

- software, which is measured at acquisition cost;
- leasehold rights;
- goodwill;
- trademarks;
- customer relationships;

Property, plant and equipment mainly include:

- land and buildings;
- rental equipment;
- vehicles and office and IT equipment. Finance leases

and similar contracts

In accordance with the method for accounting for leases and similar operations set out in ANC regulation 2020-01, which has been mandatory since January 1, 2021, the Group capitalizes assets held under finance leases.

These assets are capitalized when:

- the lease complies with the legal definition of a finance lease set out in the French Monetary and Financial Code (*Code monétaire et financier*);
- the lease contains a purchase option whereby it is highly probable that ownership will be transferred at the end of the lease term;
- the lease term covers most of the asset's useful life under the terms of use of the lessee;
- the present value of the minimum lease payments is close to the market value of the leased asset at the end of the lease term.

The Group's finance leases mainly concern rental equipment, land and buildings.

- The leased assets are capitalized and are depreciated in the same way as the Group's other property, plant and equipment.
- The aggregate amount of the lease payments is accounted for in the same way as the repayment of a conventional loan taken out to finance the assets concerned. Consequently, lease payments recorded in the individual financial statements of Group companies are eliminated on consolidation through the recognition of interest expense and the repayment of the finance lease liability over the term of the lease.
- Under French GAAP, capitalization of assets held under finance leases is only permitted in consolidated financial statements and not in individual company financial statements.

4.2.2 Methods Used to Calculate Depreciation, Amortization and Impairment

The amortization of intangible assets (excluding business bases and trademarks) and the depreciation of property, plant and equipment are calculated using the straight-line method, based on the estimated useful lives of the assets concerned. The amortizable/depreciable amount corresponds to the asset's acquisition cost, as defined above, less any residual value.

If any indication of impairment is identified, an impairment loss is recognized where the fair value of an asset is lower than its carrying amount.

The useful lives of the Group's main assets are as follows:

• software	1 to 5 years
• buildings	20 years
• leasehold improvements, fixtures and fittings	4 to 10 years
• lifting equipment	3 to 9 years
• earth-moving equipment	3 to 9 years
• other equipment	3 to 10 years
• vehicles	3 to 5 years
• office and IT equipment	3 to 6 years
• furniture	3 to 10 years

4.3 Inventories

4.3.1 Measurement Method

Spare parts and consumables are measured based on the latest known prices, including incidental expenses.

4.3.2 Methods Used to Calculate Impairment Provisions for Each Inventory Category

Provisions for impairment of inventories are determined based on turnover forecasts for each category of inventory.

4.4 Receivables and Payables

Receivables and payables are recognized at nominal value.

Subsequent to initial recognition, a provision for impairment is recognized for receivables if their fair value is lower than their carrying amount.

In accordance with ANC regulation 2020-01, any exchange differences are recognized in the consolidated balance sheet.

4.5 Debt Issuance Costs

Debt issuance costs were recognized on an issue of high-yield notes in 2019.

At December 31, 2021, the unamortized amount of these debt issuance costs was €6.8 million.

4.6 Restoration Provisions for Assets Used Under Operating Leases

These provisions are recorded to cover the costs habitually required in order to restore equipment used under operating leases when it is returned to the lessors at the end of the lease.

The restoration costs are determined based on statistical data that is updated annually, and the provision is recognized over the life of the lease.

4.7 Retirement Benefit Obligations

In accordance with ANC regulation 2020-01, retirement benefit obligations are recorded as a provision in the consolidated financial statements.

The projected benefit obligation is measured by an independent actuary. It is calculated using the projected unit credit method, which sees each period of service as giving rise to an additional unit of benefit entitlement.

In November 2021, the ANC published an amendment to recommendation 2013-02, which now allows for the possibility under French GAAP of recognizing benefits on a straight-line basis between the retirement date and:

- either the date used to calculate each year of service for vesting purposes, i.e., the date before which the services rendered by the employee affect neither the amount of the benefits, nor when they fall due; or
- the date on which the employee begins work (i.e., the hire date).

The Group has opted to apply this new measurement method. The Group used to spread its obligation over the entire period of employment on a straight-line basis.

The adoption of the new method makes it possible to spread the obligation, beginning only from the date on which each year of service counts for vesting purposes, i.e., over the period preceding the retirement age that allows the employee to attain the requisite number of years of service.

The impact of this change reduced the benefit obligation from €4,726k to €2,040k at January 1, 2021. The difference of €2,686k has been recognized in full in equity together with the related deferred tax impact.

The benefit obligations are determined based on salaries, payroll tax rates, estimated retirement ages, and the probability that the employees concerned will still be with the Group at their retirement date. The Group applies a 2% rate for future salary increases and uses the INSEE 2017-2019 mortality table. Staff turnover rates are calculated by age bracket. The legal retirement age is 65 for managerial-grade employees (*cadres*) and 62 for other employees. The discount rate used is 0.89% (2020: 0.46%). At December 31, 2021, the term of the benefit obligation was 14 years and 1 month.

4.8 Financial Instruments

In order to manage its interest rate risk, the Group holds a portfolio of derivative financial instruments mainly consisting of interest rate swaps.

These instruments are contracted over the counter with leading counterparties.

The instruments are recorded within off-balance sheet commitments when they are contracted.

Transactions that had not been unwound at the end of the reporting period are marked to market using generally accepted valuation models and techniques and based on value assumptions supplied by market analysis firms or banks.

The Group analyses the characteristics of financial instruments contracted in relation to its interest rate exposure and classifies certain instruments as hedges for accounting purposes.

Unrealized gains and losses arising on instruments classified as hedges are deferred and taken to income once the hedged transaction takes place.

A provision for risks arising on financial instruments is recognized in the income statement (within financial income and expenses) for unrealized losses on instruments not qualifying for hedge accounting. Unrealized gains on non-qualifying instruments are not recognized.

4.9 Deferred Taxes

Deferred taxes are recognized using the liability method, taking into account:

- All temporary differences (arising both in the individual financial statements and directly in the consolidated financial statements) between the carrying amount of an asset or liability and its tax base.
- Tax losses, when their utilization is considered highly probable.
- Taxes related to restatements, adjustments and eliminations made on consolidation.

The income tax rates used for calculating deferred taxes are 25.82% for the French companies, 19% for the Polish companies, 25% for the Spanish subsidiaries, 27% for the Italian companies, and 25% for the German entities.

4.10 Earnings Per Share

In accordance with the method recommended in Opinion 27 issued by the French Institute of Chartered Accountants (OEC), earnings per share are calculated by dividing net income for the period attributable to owners of the parent by the number of Kapla Holding SAS shares in issue and outstanding.

For the year ended December 31, 2021, earnings per share were €0.02.

5 Scope of Consolidation

At December 31, 2021, the Kapla Holding Group comprised the following consolidated companies:

Company	Country	Number of shares held	% control	Consolidation method	Registered office	SIREN business registration no.
KAPLA HOLDING	**France**	**509,808,254**	**100.00%**	**Parent**	**30 bis rue Saint−Hélène, 69002 Lyon**	**833372774**
KILOUTOU SAS	France	4,176,622	100.00%	FC	1 rue des Précurseurs−59664 Villeneuve d'Ascq	317686061
SCI 100 RN 10 COIGNIERES	France	9,999	100.00%	FC	1 rue des Précurseurs−59664 Villeneuve d'Ascq	401667043
KILOUTOU IMMOBILIER	France	2,530	100.00%	FC	1 rue des Précurseurs−59664 Villeneuve d'Ascq	381959394
SALMAT	France	10,000	100.00%	FC	1 rue des Précurseurs−59664 Villeneuve d'Ascq	329924310
JEAN BART LOCATION	France	9,945	100.00%	FC	1 rue des Précurseurs−59664 Villeneuve d'Ascq	077250793
DARDILOC	France	1,000	100.00%	FC	1 rue des Précurseurs−59664 Villeneuve d'Ascq	827487703
AB MATERIELS	France	3,000	100.00%	FC	1 rue des Précurseurs−59664 Villeneuve d'Ascq	409239449
KILOUTOU MODULE	France	22,729	100.00%	FC	1 rue des Précurseurs−59664 Villeneuve d'Ascq	453700106
LOCA RECEPTION	France	1,000	100.00%	FC	1 rue des Précurseurs−59664 Villeneuve d'Ascq	493440416
KILOUTOU ENERGIE	France	11,174	100.00%	FC	20 bis René Bars−40250 Mugron	301351029
KILOUTOU SIGNALISATION	France	50,000	100.00%	FC	1 rue des Précurseurs−59664 Villeneuve d'Ascq	301351029
KILOUTOU POLSKA	Poland	269,600	100.00%	FC	ul. Rokicińska 142, 92-412 Łódź Polska	410479
KILOUTOU ESPAÑA	Spain	30,000	100.00%	FC	Carrer Pla de Matabous−3408110 Montcada i Reixac, Barcelona	A60383379
DIAZ MIQUELEZ	Spain	9,000	100.00%	FC	Pol. Ind. La Portalada II, C. Planillo, 2, 26006 Logroño, La Rioja	B26205237
DIAZ MIQUELEZ MONTAJES	Spain	1,200	100.00%	FC	Pol. Ind. La Portalada II, C. Planillo, 2, 26006 Logroño, La Rioja	B26370601
ALMAQ	Spain	1,000	100.00%	FC	Polígono La Cartuja Baja, Nave 1, 50720 La Cartuja Baja, Zaragoza	A50087220
KILOUTOU GMBH	Germany	25,000	100.00%	FC	Am Knick 11, 22113 Oststeinbek	HRB 15774 HL
KILOUTOU DEUTSCHLAND	Germany	1	100.00%	FC	Am Knick 11, 22113 Oststeinbek	HRB 3496 RE
KILOUTOU WIESECKER	Germany	25,000	100.00%	FC	Am Nordpark 1, 41069 Mönchengladbach	HRB 18771
KILOUTOU ITALIA	Italy	696,000	100.00%	FC	Via Postumia Ovest 101 (TV), 31048 San Biagio di Callalta	9975240962
COFILOC	Italy	500,000	100.00%	FC	Via Postumia Ovest 101 (TV), 31048 San Biagio di Callalta	1152330260
ELEVO	Italy	10,000	100.00%	FC	Via Nigarzola 10 Cap, 24040 Lallio (BG)	3026380166
STICAR	Italy	58,200	100.00%	FC	Corso Stati Uniti 10, 35127 Padua (PD)	642470280

6 Information allowing the comparability of the accounts

For 2021, an income statement allowing the comparability of the accounts has been drawn up, which presents data relating to companies acquired (La Centrale de Location for four months; Jean-Bart de Location, Salmat, Diaz Miqueles and Diaz Miqueles Montajes for six months; Almaq for 11 months; and AB Matériels for 12 months) and consolidated by the Group in 2021 for the entire 12-month period, i.e., as if those companies had been acquired on January 1, 2021:

Consolidated Income Statement

In € millions	12 months Year ended Dec. 31, 2021 12 months
REVENUE FROM RENTALS	572,1
REVENUE FROM SERVICES AND SUB-LEASES	245,7
TOTAL REVENUE	**817,7**
NET LOSSES/(GAINS) ON EQUIPMENT SALES/RETIREMENTS	(31,1)
MAINTENANCE COSTS	64.8
OWNERSHIP COSTS	169.2
LOGISTICS COSTS	63.3
OTHER COSTS	55.7
TOTAL EQUIPMENT AND LOGISTICS COSTS	**321.9**
GROSS PROFIT	**495.9**
WAGES AND PAID VACATION PROVISIONS	162.1
PAYROLL TAXES AND TRAINING LEVY	58,7
PERFORMANCE BONUSES	19,5
OTHER EXPENSES	17.7
TOTAL PAYROLL COSTS	**257.9**
ADVERTISING COSTS	**6,2**
OVERHEADS	**70,3**
RENTAL COSTS	**64.6**
NET EXPENSE FOR DOUBTFUL RECEIVABLES	**1,6**
OTHER OPERATING INCOME AND EXPENSES, NET	**(2,5)**
NET INCOME FROM ORDINARY ACTIVITIES	**97.8**
AMORTIZATION OF FAIR VALUE ADJUSTMENTS TO INTANGIBLE ASSETS	**14,7**
NET INCOME FROM ORDINARY ACTIVITIES after amortization of fair value adjustments to intangible assets	**83.1**
FINANCIAL EXPENSES	**54.6**
EXTRAORDINARY INCOME (-) AND EXPENSES (+)	**1.2**
INCOME TAX	**11.2**
NET INCOME (LOSS) FOR THE PERIOD BEFORE MINORITY INTERESTS	**16.1**
Net income for the period attributable to minority interests	0,0
NET INCOME (LOSS) FOR THE PERIOD ATTRIBUTABLE TO OWNERS OF THE PARENT	**16.1**
EBITDA	**266,4**
Earnings per share (€/share)	**0,03**

7 Notes to the Balance Sheet and Income Statement

7.1 Notes to the Consolidated Balance Sheet

Companies consolidated for the first time in 2021 are included in the column entitled "Changes in scope of consolidation" in the tables below.

7.1.1 Fixed Assets

7.1.1.1 Intangible assets

Movements in intangible assets in 2021 were as follows:

	Gross value						
	At Jan. 1, 2021	Changes in scope of consolidation	Increase	Decrease	Other movements	Currency effect	At Dec. 31, 2021
Goodwill[(*)]	690.9	0.7	44.6	0.0	0.0	0.0	736.2
Trademarks	340.4	0.0	0.0	0.0	0.0	0.0	340.4
Customer relationships	147.1	0.0	0.0	0.0	0.0	0.0	147.0
Concessions, patents & similar rights	21.0	0.1	1.8	(0.1)	0.8	0.0	23.7
Leasehold rights	2.3	0.0	0.0	0.0	0.0	0.0	2.3
Other intangible assets	0.5	0.1	0.0	0.0	0.0	0.0	0.5
Intangible assets in progress	2.7	0.0	3.7	0.0	(0.8)	0.0	5.6
Total	**1,204.9**	**1.0**	**50.1**	**(0.1)**	**0.0**	**(0.1)**	**1,255.8**

[(*)] In accordance with ANC regulation 2020-01, goodwill has been reclassified to intangible assets

	Amortization and impairment						
Amortization and impairment	At Jan. 1, 2021	Changes in scope of consolidation	Increase	Decrease	Other movements	Currency effect	At Dec. 31, 2021
Goodwill	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Trademarks	(0.4)	0.0	0.0	0.0	0.0	0.0	(0.4)
Customer relationships	(44.1)	0.0	(14.7)	0.0	0.0	0.0	(58.8)
Concessions, patents & similar rights	(17.9)	-0.1	(1.9)	0.1	0.0	0.0	(19.8)
Leasehold rights	(0.5)	0.0	0.0	0.0	0.0	0.0	(0.6)
Other intangible assets	0.0	0.0	0.0	0.0	0.0	0.0	(0.1)
Intangible assets in progress	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total	**(63.0)**	**-0.2**	**(16.6)**	**0.1**	**0.0**	**0.0**	**(79.7)**

The "Trademarks" item mainly comprises the Kiloutou brand. This asset was measured during the process of identifying the fair values of assets and liabilities when Dentressangle acquired control of the Group. Since the impairment test performed at end-December 2021 confirmed the brand's value, no impairment loss was recognized. The "Customer relationships" item includes the fair values of customer relationships identified for Kiloutou, Kiloutou Module, Kiloutou Poland, Kiloutou Germany and Kiloutou Italy. Customer relationships are amortized over a period of 10 years.

Goodwill breaks down as follows:

CGU	Gross value At Jan. 1, 2021	Changes in scope of consolidation	Decrease	Other movements	Currency effect	At Dec. 31, 2021
General rentals−France	438.5	37.8	0.0	0.0	0.0	476.3
Specialist rentals−France	43.1	-0.7	0.0	0.0	0.0	42.4
Poland	35.9	0.0	0.0	0.0	0.0	35.9
Italy	53.1	0.0	0.0	0.0	0.0	53.1
Germany	115.7	0.0	0.0	0.0	0.0	115.7
Spain	4.5	8.2	0.0	0.0	0.0	12.8
Total	**690.9**	**45.3**	**0.0**	**0.0**	**0.0**	**736.2**

In 2021, newly acquired companies increased goodwill by an amount of €45.3 million (La Centrale de Location, Jean Bart de Location, Salmat and AB Matériels for France, and Diaz Miqueles and Diaz Miqueles Montajes for Spain).

In accordance with the French regulation on the recognition and amortization of goodwill, all of the goodwill recorded by the Group has been identified as having an indefinite useful life. In addition, the impairment test carried out on the basis of the consolidated financial statements at December 31, 2021 (see section 3.3) did not give rise to the recognition of any impairment losses on the Group's intangible assets.

7.1.1.2 Property, plant and equipment

Movements in property, plant and equipment in 2021 were as follows:

	Gross value At Jan. 1, 2020	Changes in scope of consolidation	Increase	Decrease	Other movements	Currency effect	At Dec. 31, 2020
Land and buildings	**188.6**	**0.0**	**8.1**	**(2.2)**	**0.0**	**(0.1)**	**194.4**
Rental equipment	**1,285.5**	**30.8**	**127.8**	**(102.8)**	**0.0**	**(3.6)**	**1,337.8**
Other property, plant and equipment	**70.6**	**2.9**	**8.7**	**(2.0)**	**0.0**	**(0.1)**	**80.2**
Total	**1,544.7**	**33.8**	**144.6**	**(107.0)**	**0.0**	**(3.8)**	**1,612.3**

	Depreciation and impairment At Jan. 1, 2020	Changes in scope of consolidation	Increase	Decrease	Other movements	Currency effect	At Dec. 31, 2020
Land and buildings	**(102.6)**	**-0.1**	**(8.0)**	**2.2**	**0.0**	**0.0**	**(108.5)**
Rental equipment	**(770.4)**	**-9.3**	**(146.2)**	**97.6**	**0.0**	**1.9**	**(826.4)**
Other property, plant and equipment	**(52.0)**	**-0.6**	**(6.6)**	**1.9**	**0.0**	**0.1**	**(57.2)**
Total	**(925.0)**	**-9.9**	**(160.8)**	**101.7**	**0.0**	**2.0**	**(992.1)**

	Gross value At Jan. 1, 2021	Changes in scope of consolidation	Increase	Decrease	Other movements	Currency effect	At Dec. 31, 2021
Land and buildings	**194.4**	**2.5**	**9.6**	**(0.4)**	**0.2**	**(0.0)**	**206.3**
Rental equipment	**1,337.8**	**77.7**	**116.2**	**(103.7)**	**0.5**	**(0.4)**	**1,428.1**
Other property, plant and equipment	**80.2**	**4.6**	**6.0**	**(2.7)**	**(0.4)**	**(0.0)**	**87.7**
Total	**1,612.3**	**84.9**	**131.8**	**(106.8)**	**0.3**	**(0.5)**	**1,722.1**

	Depreciation and impairment						
	At Jan. 1, 2021	Changes in scope of consolidation	Increase	Decrease	Other movements	Currency effect	At Dec. 31, 2021
Land and buildings	**(108.5)**	**-1.5**	**(8.4)**	**0.4**	**(0.1)**	**0.0**	**(118.1)**
Rental equipment	**(826.4)**	**-53.7**	**(148.3)**	**98.3**	**(0.7)**	**0.2**	**(930.6)**
Other property, plant and equipment	**(57.2)**	**-3.0**	**(7.6)**	**2.5**	**0.3**	**0.0**	**(65.0)**
Total	**(992.1)**	**-58.2**	**(164.3)**	**101.2**	**(0.6)**	**0.3**	**(1,113.8)**

7.1.1.3 Financial fixed assets

This item comprises shares in non-consolidated companies as well as deposits, loans and guarantees paid.

	Gross value						
	At Jan. 1, 2021	Changes in scope of consolidation	Increase	Decrease	Other movements	Currency effect	At Dec 31, 2021
Shares in non-consolidated companies	0.7	-51.7	72.6	0.0	-20.5	0.0	1.1
Investments accounted for by the equity me	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other long-term investment securities	0.0	0.0	0.0	0.0	0.0	0.0	0.1
Loans granted	0.2	0.1	0.0	-0.1	0.0	0.0	0.2
Accrued interest on financial receivables	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Deposits & guarantees	2.9	0.4	0.2	-0.2	0.0	0.0	3.2
Total	**3.8**	**-51.2**	**72.8**	**-0.3**	**-20.5**	**0.0**	**4.6**

	Amortization and impairment						
Provisions for impairment	At Jan. 1, 2021	Changes in scope of consolidation	Increase	Decrease	Other movements	Currency effect	At Dec. 31, 2021
Equity investments	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Provision for long-term investment securities	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Provisions for deposits and guarantees	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**

7.1.2 Other Assets

7.1.2.1 Inventories and customer advances and prepayments

Movements in inventories in 2021 were as follows:

	Gross value					
	At Jan. 1, 2021	Changes in scope of consolidation	Increase/ (Decrease)	Currency effect	Other movements	At Dec. 31, 2021
Spare parts	4.2	0.2	0.3	0.0	0.4	5.1
Goods for resale	14.4	1.4	-1.9	0.0	-0.2	13.6
Real estate sites	7.0	0.0	1.8	0.0	0.0	8.8
Total	**25.6**	**1.6**	**0.2**	**0.0**	**0.1**	**27.5**

	Impairment					
	At Jan. 1, 2021	Changes in scope of consolidation	Increase/ (Decrease)	Currency effect	Other movements	At Dec. 31, 2021
Prov. spare parts	(0.2)	0.0	0.0	0.0	0.0	(0.2)
Prov. goods for resale	(4.0)	-0.1	0.5	0.0	0.0	(3.7)
Total	**(4.3)**	**-0.1**	**0.4**	**0.0**	**0.0**	**(3.9)**

Real estate sites in inventories comprise constructions in-progress to be sold in the near future.

7.1.2.2 Trade receivables

Movements in trade receivables in 2021 were as follows:

	Gross value					
	At Jan. 1, 2021	Changes in scope of consolidation	Increase/ (Decrease)	Currency effect	Other movements	At Dec. 31, 2021
Trade receivables	162.5	12.2	2.9	-0.1	0.2	177.7
Total	**162.5**	**12.2**	**2.9**	**-0.1**	**0.2**	**177.7**

	Impairment					
	At Jan. 1, 2021	Changes in scope of consolidation	Increase/ (Decrease)	Currency effect	Other movements	At Dec. 31, 2021
Provisions for trade receivables	(20.0)	-1.3	2.5	0.0	0.2	(18.6)
Total	**(20.0)**	**-1.3**	**2.5**	**0.0**	**0.2**	**(18.6)**

All trade receivables are due within one year.

7.1.2.3 Other receivables

Movements in other receivables in 2021 were as follows:

	Net value					
	At Jan. 1, 2021	Changes in scope of consolidation	Increase/ (Decrease)	Currency effect	Other movements	At Dec. 31, 202
Amounts due from suppliers and other operating receivables	2.3	0.0	0.0	0.0	0.0	2.3
Advances and deposits	0.3	0.0	0.2	0.0	0.0	0.5
Other tax and payroll receivables	9.5	0.6	1.1	0.0	0.0	11.2
Current tax receivables (incl. group tax relief)	12.5	0.2	-7.8	0.0	0.0	4.9
Deferred tax assets	8.0	0.8	-6.7	0.0	0.3	2.4
Miscellaneous receivables	1.2	0.4	-1.1	0.0	0.0	0.5
Prepaid expenses	6.4	0.5	0.8	0.0	0.0	7.6
Debt issuance costs	8.6	0.0	-1.8	0.0	0.0	6.8
Bond redemption premiums	0.0	0.0	0.0	0.0	0.0	0.0
Other deferred charges	0.3	0.0	-0.1	0.0	0.0	0.2
Unrealized exchange losses	0.0	0.0	0.0	0.0	0.0	0.0
Provisions for advances and prepayments	0.0	0.0	0.0	0.0	0.0	0.0
Total	**49.1**	**2.4**	**-15.4**	**0.0**	**0.3**	**36.4**

Apart from deferred tax assets, all of the Group's "Other receivables" are due within one year. No provisions for impairment were recognized for "Other receivables" at December 31, 2021.

Prepaid expenses primarily correspond to the invoicing in 2021 of property rentals for 2022 and unamortized debt issuance costs on bonds issued in 2019 when Dentressangle acquired control of the Group.

7.1.2.4 Cash and cash equivalents

Movements in cash and cash equivalents in 2021 were as follows:

	Net value					
	At Jan. 1, 2021	Changes in scope of consolidation	Increase/ (Decrease)	Currency effect	Other movements	At Dec. 31, 2021
Marketable securities	12.0	0.3	0.0	0.0	0.0	12.3
Cash in bank and at hand	178.2	16.2	-92.0	-0.1	-0.3	102.0
Short-term bank borrowings	(0.1)	0.0	0.0	0.0	0.0	(0.1)
Total	**190.1**	**16.5**	**-91.9**	**-0.1**	**-0.3**	**114.3**

Current bank overdrafts are recognized in "Short-term bank borrowings".

Marketable securities include short-term deposits that mature in less than one month.

7.1.3 Consolidated Equity

Movements in consolidated equity (attributable to owners of the parent) in 2021 were as follows:

In € millions

At December 31, 2020	**5.1**	**484.9**	**7.1**	**(42.0)**	**(1.1)**	**454.0**
Change in share capital of the parent company	0.0	0.0	0.0	0.0	0.0	0.0
Appropriation of net income (loss)	0.0	0.0	(42.0)	42.0	0.0	0.0
Other movements	0.0	0.0	2.4	0.0	0.0	2.4
Net income (loss) for the period	0.0	0.0	0.0	9.6	0.0	9.6
Dividends paid by the parent company	0.0	0.0	0.0	0.0	0.0	0.0
Exchange differences	0.0	0.0	(0.1)	0.0	(0.1)	(0.2)
At December 31, 2021	**5.1**	**484.9**	**(32.6)**	**9.6**	**(1.2)**	**465.8**

- ***Share capital***

In 2019, ADPR C2 free shares were granted to a selected number of Group employees. In December 2021, the share capital amounted to €5,106,729.70.

- ***Additional paid-in capital***

Additional paid-in capital represents the net amount received, either in cash or in assets, in excess of the par value on issuance of the Company's shares.

A total of 931,755 ADPR C2 free shares were granted on October 29, 2021. These shares have a one-year vesting period. Therefore, unavailable reserves of €9,317.55 were recorded by debiting the share premium account.

7.1.4 Other Items Recorded Under Liabilities

7.1.4.1 Provisions for contingencies and charges

Movements in provisions for contingencies and charges in 2021 were as follows:

	At Jan. 1, 2021	Changes in scope of consolidation	Additions	Reversals	Currency effect	Other movements	At Dec. 31, 2021
Provisions for restoring assets used under operating leases	**3.6**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**3.6**
Badwill	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Provisions for retirement benefit obligations	6.3	0.0	0.9	(0.5)	(0.0)	(2.8)	4.0
Provisions for contingencies arising on financial instruments	11.3	0.0	0.0	(5.5)	0.0	0.0	5.9
Other provisions for contingencies and charges	3.6	0.2	0.0	(0.5)	(0.0)	0.0	3.3
Provisions for general contingencies and charges	**21.3**	**0.2**	**0.9**	**(6.4)**	**(0.0)**	**(2.8)**	**13.2**
Total provisions for contingencies and charges	**24.9**	**0.2**	**0.9**	**(6.4)**	**(0.0)**	**(2.8)**	**16.7**

Provisions for the following had been recognized at December 31, 2021:

- Provisions for restoring assets used under operating leases relate to utility vehicles and earth-moving vehicles.
- In accordance with ANC regulation 2020-01, deferred tax liabilities have been reclassified to "Other liabilities".
- Provisions for retirement benefit obligations: the entitlements used for calculating retirement benefit obligations are set in company-level agreements. Retirement is deemed to be taken at the employee's initiative.
- The provision for contingencies arising on financial instruments for an amount of €5.9 million corresponds to unrealized losses on financial instruments which do not qualify as hedging instruments, i.e., considered to be open positions.
- Other provisions for contingencies and charges. At December 31, 2021, this item mainly comprised provisions for covering employee tribunal risks and risks related to legal, tax and real estate disputes.

7.1.4.2 Income tax

- Income tax expense

Income tax expense	Dec. 31, 2021	Dec. 31, 2020
Current taxes	(10.2)	(5.9)
Deferred taxes	(0.8)	2.6
Total	**(11.0)**	**(3.3)**

- Deferred taxes

Deferred taxes	Dec. 31, 2021	Dec. 31, 2020
Deferred tax assets	2.4	8.0
Deferred tax liabilities	(41.6)	(46.3)
Total	**(39.2)**	**(38.4)**

- Tax proof

The tax proof below sets out a reconciliation between the Group's actual income tax expense and the theoretical tax expense calculated by applying the parent company's tax rate to consolidated net income for the period before tax.

	Base	Tax	Rate
Net income (loss) of fully consolidated companies	9.6		
Income tax recognized	11.0		
Taxable base	**20.5**	**5.3**	**25.82%**
CVAE tax paid		3.6	
Tax rate differential			
Permanent tax differences & impact of different tax rates		2.1	
Income tax recognized		**11.0**	

Permanent differences mainly consist of the impact of the limit on the deductibility of financial expenses following the application of the Anti-Tax Avoidance Directive. This limit did not result in the recognition of a deferred tax asset as the recoverability timeline was deemed too long.

For the French tax entities, the Group recognized tax loss carryforwards for an amount of €3.6 million, which was recovered in full during the period.

Based on projections, these loss carryforwards should be usable in the short term.

Deferred taxes can be analyzed as follows by category:

Company	Temporary differences	Adjustments and eliminations	Fair value adjustments	Deferred tax assets recognized for tax losses	Total
KAPLA HOLDING	0.0	(0.3)	0.0	0.0	(0.3)
KILOUTOU SAS	0.0	(11.2)	(23.3)	0.0	(34.5)
SALMAT	0.0	0.3	0.0	0.0	0.3
JEAN-BART LOCATION	0.0	0.3	0.0	0.0	0.3
AB MATERIELS	0.0	0.0	0.0	0.0	0.1
KILOUTOU MODULE	0.0	0.4	(0.9)	0.0	(0.5)
LOCA RECEPTION	0.0	0.0	(0.3)	0.0	(0.3)
KILOUTOU ENERGIE	0.0	0.0	(0.6)	0.0	(0.6)
KILOUTOU POLSKA	0.0	0.0	(0.5)	0.0	(0.5)
KILOUTOU ESPANA	0.0	0.0	(0.2)	0.0	(0.2)
DIAZ MIQUELEZ	0.0	0.1	0.0	0.0	0.1
KILOUTOU GMBH	0.0	0.0	(1.4)	0.0	(1.4)
COFILOC	0.0	0.0	(0.7)	0.0	(0.7)
ELEVO	0.0	(0.4)	0.0	0.0	(0.4)
STICAR	0.0	(0.7)	0.0	0.0	(0.7)
Total	**0.0**	**(11.5)**	**(27.8)**	**0.0**	**(39.2)**

7.1.4.3 Bonds, borrowings from financial institutions and other borrowings

Movements in these items in 2021 were as follows:

	At Jan. 1, 2021	Changes in scope of consolidation and other movements	Increase	Decrease	Change in accrued interest	Currency effect	At Dec. 31, 2021
Convertible bonds	165.0	0.0	0.0	0.0	0.0	0.0	165.0
Accrued interest on convertible bonds	29.2	0.0	0.0	0.0	17.7	0.0	46.9
Other bonds	861.5	0.0	0.0	0.0	-0.2	0.0	861.3
Bonds	**1,055.7**	**0.0**	**0.0**	**0.0**	**17.5**	**0.0**	**1,073.2**
Bank borrowings	40.5	4.3	245.0	-134.6	0.3	0.0	156.1
Finance leases for equipment	242.8	4.2	82.3	-77.0	0.0	0.0	252.2
Finance leases for real estate	0.3	0.0	0.0	-0.1	0.0	0.0	0.2
Short-term bank borrowings	0.1	0.0	0.0	0.0	0.0	0.0	0.1
Borrowings from financial institutions	**283.7**	**8.5**	**327.3**	**-211.8**	**0.3**	**0.0**	**408.6**
Finance leases−residual value	**11.9**	**0.0**	**0.0**	**-0.7**	**0.0**	**0.0**	**11.2**
Employee profit sharing	1.0	0.0	0.0	0.0	0.0	0.0	1.0
Other	0.1	0.0	0.0	0.0	0.0	0.0	0.1
Other borrowings other than from financial institutions	**1.1**	**0.0**	**0.0**	**-0.1**	**0.0**	**0.0**	**1.0**
Total	**1,352.4**	**8.5**	**327.3**	**-212.5**	**17.7**	**0.0**	**1,494.1**

	At Jan. 1, 2021	Changes in scope of consolidation and other movements	Increase	Decrease	Change in accrued interest	Currency effect	At Dec. 31, 2021
Convertible bonds	165.0	0.0	0.0	0.0	0.0	0.0	165.0
Accrued interest on convertible bonds	46.9	0.0	0.0	0.0	19.3	0.0	66.2
Other bonds	861.3	0.0	0.0	0.0	0.0	0.0	861.3
Bonds	**1,073.2**	**0.0**	**0.0**	**0.0**	**19.3**	**0.0**	**1,092.5**
Bank borrowings	156.1	1.8	10.3	-94.8	-0.2	0.0	73.2
Finance leases for equipment	252.2	19.3	53.3	-92.0	0.0	0.0	232.8
Finance leases for real estate	0.2	0.0	0.0	-0.1	0.0	0.0	0.1
Short-term bank borrowings	0.1	0.0	0.0	0.0	0.0	0.0	0.1
Borrowings from financial institutions	**408.6**	**21.2**	**63.6**	**-186.9**	**-0.2**	**0.0**	**306.2**
Finance leases−residual value	**11.2**	**0.0**	**1.2**	**-4.7**	**0.0**	**0.0**	**7.7**
Employee profit sharing	1.0	0.0	0.0	-0.3	0.0	0.0	0.6
Other	0.1	0.0	0.0	0.0	0.0	0.0	0.1
Other borrowings other than from financial institutions	**1.0**	**0.0**	**0.0**	**-0.3**	**0.0**	**0.0**	**0.7**
Total	**1,494.1**	**21.2**	**64.8**	**-192.0**	**19.0**	**0.0**	**1,407.1**

Convertible bonds (OCA) have the following features:

2028 bonds

Issue date	February 15, 2018
Nominal value per bond	One euro
Issue price	Par value
Number of bonds issued	165,000,000
Creditor rank	Subordinate
Maturity	February 15, 2028
Repayment of principal at maturity	100% of nominal value
Coupon	annual capitalized rate of 9.09%
Conversion period	At any time during the bond term
Conversion ratio	1 share per bond issued at a price of €0.01 (with an issue premium of €0.99) Payment of capitalized interest in the event of conversion
Issuer call option exercise date	At any time during the bond term
Call option exercise price (redemption price)	Par plus capitalized interest

The bonds meet the definition of High-Yield financing with the following features:

- Fixed rate bond

Nominal amount: €460 million
Maturity December 15, 2026

- Variable rate bond

Nominal amount: €400 million
Maturity December 15, 2026

A €125 million State-guaranteed loan was secured in July 2020 and the outstanding balance at December 31, 2021 was €50 million.

The table below provides a maturity schedule of the Group's debt.

	Balance at Dec. 31, 2021	Due within 1 year	Due between 1 and 5 years	Due beyond 5 years
Convertible bonds	231.2	0.0	0.0	231.2
Other bonds	861.3	1.3	860.0	0.0
Bonds	**1,092.5**	**1.3**	**860.0**	**231.2**
Other borrowings & financial liabilities	73.2	21.8	51.4	0.0
Finance leases for equipment	232.8	75.2	157.7	0.0
Finance leases for real estate	0.1	0.1	0.0	0.0
Short-term bank borrowings	0.1	0.1	0.0	0.0
Borrowings from financial institutions	**306.2**	**97.1**	**209.1**	**0.0**
Finance leases−residual value	**7.7**	**5.7**	**2.0**	**0.0**
Employee profit sharing	0.6	0.3	0.4	0.0
Other	0.1	0.1	0.0	0.0
Other borrowings other than from financial institutions	**0.7**	**0.4**	**0.4**	**0.0**
Total	**1,407.1**	**104.5**	**1,071.4**	**231.2**

Movements in net debt break down as follows:

Movements in debt in € millions	Dec. 31. 2021	Dec. 31. 2020
NET DEBT at beginning of period	**(1,090.9)**	**(1,052.4)**
EBITDA	**257.9**	**201.6**
Change in working capital (excl. changes in deferred taxes)	**16.0**	**(3.0)**
Extraordinary expenses paid	**(1.2)**	**(1.8)**
Financial expenses paid	**(33.8)**	**(36.1)**
Income tax & CICE tax paid	**2.3**	**0.4**
CVAE tax paid	**(3.6)**	**(5.8)**
Net book value of fixed assets and disposals of real estate assets	**5.2**	**5.2**
NET CASH GENERATED FROM OPERATING ACTIVITIES (A)	**242.7**	**160.6**
CAPEX	**(137.4)**	**(148.3)**
Change in amounts due to suppliers of fixed assets	**1.1**	**1.3**
Cash flows from financial fixed assets	**0.1**	**(0.1)**
Net proceeds from disposals of fixed assets	**0.2**	**0.9**
NET CASH FROM (USED IN) INVESTING ACTIVITIES (B) Excluding changes	**(136.0)**	**(146.3)**
Acquisition of shares in consolidated companies	**(72.7)**	**(44.6)**
Impact of newly consolidated companies on net debt	**(4.2)**	**(7.1)**
Accrued interest	**0.2**	**(0.0)**
Other impacts	**(0.1)**	**(1.1)**
NET DEBT at end of period	**(1,060.8)**	**(1,090.9)**

Net debt at end of period in €millions	Dec. 31. 2021	Dec. 31. 2020
o/w other bonds	**861.3**	**861.3**
o/w bank borrowings	**73.2**	**156.1**
o/w finance leases for equipment	**232.8**	**252.2**
o/w finance leases for real estate	**0.1**	**0.2**
Finance leases−residual value	**7.7**	**11.2**
Gross borrowings	**1,175.1**	**1,281.0**
Marketable securities	**12.3**	**12.0**
Cash in bank and at hand	**102.0**	**178.2**
o/w short-term bank borrowings	**0.1**	**0.1**
Net cash and cash equivalents	**114.3**	**190.1**
Net debt	**1,060.8**	**1,090.9**

7.1.4.4 Other items recorded under liabilities

Movements in these items in 2021 were as follows:

	At Jan. 1, 2021	Changes in scope of consolidation	Increase/ (Decrease)	Currency effect	Other movements	At Dec. 31, 2021
Trade payables due to general suppliers	64.5	2.9	15.8	(0.0)	0.9	84.1
Due to suppliers of fixed assets	4.1	0.0	1.1	0.0	0.0	5.3
Trade payables	**68.7**	**2.9**	**17.0**	**(0.0)**	**0.9**	**89.3**
Deferred tax liabilities	46.3	0.2	0.0	(0.0)	(5.0)	41.6
Other tax liabilities	64.0	4.0	13.0	(0.0)	(0.3)	80.7
Corporate income tax & tax consolidation payables	2.1	0.0	1.0	0.0	(0.0)	3.1
Amounts owed to customers & other operating payables	0.7	0.0	0.3	(0.0)	0.0	1.0
Customer advances and prepayments	0.1	0.1	0.0	0.0	0.0	0.2
Other	9.9	1.7	(0.4)	(0.0)	2.2	13.3
Deferred income	4.3	0.0	(0.7)	0.0	0.0	3.6
Unrealized exchange gains	0.0	0.0	0.0	0.0	0.0	0.0
Other payables	**127.3**	**6.1**	**13.2**	**(0.0)**	**(3.1)**	**143.5**
Total	**196.0**	**9.0**	**30.2**	**(0.0)**	**(2.3)**	**232.9**

All other liabilities mature in less than one year, with the exception of deferred tax liabilities, most of which have maturities of more than one year.

In accordance with ANC regulation 2020-01, deferred tax liabilities have been reclassified to "Other liabilities" for an amount of €46.3 million at December 31, 2020.

Deferred taxes mainly arise on valuation adjustments (customer relationships and real estate) and on provisions recognized on financial instruments held in the form of an isolated open position. Deferred income mainly corresponds to invoices issued in advance for rental equipment, representing an amount of €3.6 million for the year ended December 31, 2021.

7.1.5 Financial Instruments

Transactions in 2019:

New refinancing arrangements were made in 2019 with the following consequences:

- Certain swaps that had previously been classified as hedges of borrowings and debt continued to be eligible for hedge accounting. At the date of the refinancing, these swaps had a negative fair value of around€15 million. Since these swaps are used to manage the Group's interest rate risk, the historical hedging relationship was carried over to the new financing arrangements; the terms and conditions of these swaps were also slightly adjusted, notably in terms of maturity and the benchmark interest rate, in order to bring

them into line with those of the new borrowings. Consequently, the unrealized loss at the transaction date is not reflected in the financial statements and is taken to income as and when the coupons on the instruments fall due.

- Since the date of the refinancing, the other instruments in the historical derivatives portfolio are considered to represent isolated open (i.e., speculative) positions. Accordingly, a provision for risks arising on financial instruments is set aside for any unrealized losses at the end of the reporting period. Changes in the provision are booked in the income statement in finance costs;
- Instruments known as "issue swaps" were contracted at the time of the refinancing in order to mitigate the impact of the isolated open positions mentioned above. However, based on an analysis of the terms and conditions of these issue swaps, they cannot be matched for accounting purposes to instruments representing isolated open positions. At the end of the reporting period, a provision for risks was therefore recognized for unrealized losses on these issue swaps. Changes in the provision are booked in the income statement in finance costs.

Operations carried out in 2020 and 2021:

The Group added to its portfolio of interest rate hedging instruments.

The Group also contracted more specific hedges to hedge against fluctuations in fuel prices. These instruments qualify for hedge accounting.

Details of the various instruments along with their terms and conditions are shown in the table in the following section:

Instrument		Classification	Instrument	Rate	Benchmark	Nominal amount	Start date	Expiration date	
Swap									
Swap		Hedging transaction	Swap	0.650%	EUR3M	€50,000,000	06/15/2023	06/15/2024	
Swap		Hedging transaction	Swap	0.000%	EUR3M	€50,000,000	03/15/2021	03/15/2025	
Swap		Hedging transaction	Swap	0.484%	EUR3M	€50,000,000	06/15/2023	06/15/2024	
Swap		Hedging transaction	Swap	0.820%	EUR3M	€50,000,000	06/15/2020	06/15/2023	
Swap		Hedging transaction	Swap	0.758%	EUR3M	€50,000,000	06/15/2020	06/15/2023	
Swap	**Floating-rate lender/ fixed-rate borrower Swap**	Hedging transaction	Swap	-0.002%	EUR3M	€50,000,000	06/15/2023	03/15/2025	
Swap		Hedging transaction	Swap	0.840%	EUR3M	€150,000,000	06/15/2020	06/15/2023	
Swap		Hedging transaction	Swap	-0.266%	EUR3M	€50,000,000	12/15/2023	03/15/2025	
Swap		Hedging transaction	Swap	-0.152%	EUR3M	€50,000,000	06/15/2024	06/15/2025	
Swap		Hedging transaction	Swap	-0.256%	EUR3M	€100,000,000	03/15/2025	09/15/2029	
Swap		Hedging transaction	Swap	-0.092%	EUR3M	€50,000,000	06/15/2020	06/15/2023	
Swap		Hedging transaction	Swap	-0.015%	EUR3M	€50,000,000	03/15/2021	03/15/2025	
Swap		Hedging transaction	Swap	-0.070%	EUR3M	€50,000,000	12/15/2023	12/15/2024	
Swap		Hedging transaction	Swap	-0.039%	EUR3M	€100,000,000	06/15/2024	06/15/2026	
Swap		Hedging transaction	Swap	0.598%	EUR3M	€50,000,000	06/15/2023	06/15/2024	
		Hedging transaction	Swap	-0.300%	EUR3M	€50,000,000	09/21/2020	09/15/2026	
								MTM on Floating-rate lender/Fixed-rate borrower swaps qualified for hedge accounting (in €millions)	-4.2
Swap		Swap with isolated open position	Swap	0.00415	EUR6M	€50,000,000	06/15/2022	06/15/2024	
Swap		Swap with isolated open position	Swap	0.003635	EUR6M	€50,000,000	06/15/2022	06/15/2023	
Swap		Swap with isolated open position	Swap	0.00284	EUR6M	€50,000,000	12/15/2019	06/15/2022	
Swap		Swap with isolated open position	Swap	0.003795	EUR6M	€50,000,000	12/15/2019	06/15/2022	
Swap		Swap with isolated open position	Swap	0.005222	EUR6M	€50,000,000	06/15/2022	06/15/2023	
Swap	**Floating-rate lender/ fixed-rate borrower swap**	Swap with isolated open position	Swap	0.00457	EUR6M	€50,000,000	12/15/2019	06/15/2022	
Swap		Swap with isolated open position	Swap	-0.00236	EUR6M	€50,000,000	06/15/2023	12/15/2024	
Swap		Swap with isolated open position	Swap	0.0041	EUR6M	€80,000,000	06/15/2022	12/15/2024	
Swap		Swap with isolated open position	Swap	0.00344	EUR6M	€50,000,000	06/15/2023	06/15/2024	
Swap		Swap with isolated open position	Swap	0.00308	EUR6M	€180,000,000	12/15/2019	06/15/2022	
Swap		Swap with isolated open position	Swap	-0.00243	EUR6M	€50,000,000	06/15/2022	12/15/2024	
Swap		Swap with isolated open position	Swap	-0.00015	EUR6M	€50,000,000	12/15/2019	12/15/2023	
Swap		Swap with isolated open position	Swap	0.0021	EUR6M	€50,000,000	06/15/2022	12/15/2024	
Swap		Swap with isolated open position	Swap	-0.00028	EUR6M	€50,000,000	12/15/2023	12/15/2024	
								MTM on Floating-rate lender/Fixed-rate borrower swap not qualified for hedge accounting (in €million)	**-4.5**
ISSUE SWAP		Swap with isolated open position	Swap	-0.233%	EUR6M	€60,000,000	12/16/2019	12/15/2024	
ISSUE SWAP	**Fixed-rate lender/ floating-rate borrower Swap**	Swap with isolated open position	Swap	-0.213%	EUR6M	€100,000,000	12/15/2019	12/15/2024	
ISSUE SWAP		Swap with isolated open position	Swap	-0.230%	EUR6M	€60,000,000	12/15/2019	12/15/2024	
ISSUE SWAP		Swap with isolated open position	Swap	-0.220%	EUR6M	€100,000,000	12/16/2019	12/15/2024	
ISSUE SWAP		Swap with isolated open position	Swap	-0.230%	EUR6M	€60,000,000	12/15/2019	12/15/2024	
								MTM on Fixed-rate lender/Floating-rate borrower swap not qualified for hedge accounting (in €million)	**-0.8**
				318.95			01/01/2021	12/31/2021	
	Hedging on gas-oil			300.00			01/01/2021	12/31/2021	
								MTM on hedging on gas-oil (in €million)	**0.3**

A provision of €5.9 million has been recorded for potential losses on instruments with isolated open positions

A provision for risks is recognized for financial instruments that do not qualify for hedge accounting, i.e., instruments considered to be open positions.

7.1.6 Off Balance-Sheet Commitments

- **Guarantees given**

PLEDGE OF FINANCIAL SECURITIES

Date set up	Issuing company	Securities pledged	Beneficiaries	Secured obligations	Sureties
12/12/2019	Kapla Holding	4,176,622 Kiloutou ordinary shares	Secured Parties (as defined in the pledge agreement)	Senior Financing Documentation (as defined in the pledge agreement)	Pledge of a share account containing all of the Kiloutou shares held by the issuing company
12/12/2019	Kiloutou	22,729 Kiloutou Module ordinary shares	Secured Parties	Senior Financing Documentation	Pledge of a share account containing all of the Kiloutou Module shares held by the issuing company

PLEDGE OF BANK ACCOUNTS

Date set up	Issuing company	Beneficiaries	Secured obligations	Sureties	Maturity
12/12/2019	Kapla Holding	Secured Parties	Senior Financing Documentation	€860,000,000	2026
	Kiloutou	Secured Parties	Senior Financing Documentation		2026
	Kiloutou Module	Secured Parties	Senior Financing Documentation	300,000	2026
04/30/2021	Salmat	CIC NO	Equipment		2026
variable	Dardiloc	LB	Borrowings	332,282	variable
02/25/2020	AB Materiel	CRCCM	Equipment	46,000	

PLEDGE OF RECEIVABLES FOR INTRA-GROUP LOANS

Date set up/modified	Issuing company	Beneficiaries		Secured obligations	Receivables pledged	Amount guaranteed	Maturity
	Kapla Holding	Secured Parties	Kiloutou	Senior Financing Documentation	Current and future receivables (including shareholder current accounts but excluding receivables relating to the cash pooling agreement)	€471,900,000	2026
12/30/2019	Kiloutou		Kiloutou GmbH	Senior Financing Documentation		€68,114,374	2026
12/04/2020	Kiloutou		Kiloutou Deutschland	Senior Financing Documentation		€390,000	2026
12/30/2019	Kiloutou		Kiloutou Deutschland	Senior Financing Documentation		€10,400,000	2026
12/30/2019	Kiloutou		Kiloutou Italia srl	Senior Financing Documentation		€11,500,000	2026
12/30/2019	Kiloutou		Kiloutou Polska	Senior Financing Documentation		€14,500,000	2026
04/16/2020	Kiloutou		Kiloutou Module	Senior Financing Documentation		€16,270,000	2026
12/18/2020	Kiloutou		Kiloutou Module	Senior Financing Documentation		€5,630,493	2026
06/07/2021	Kiloutou		Kiloutou GmbH			€29,200,000	2026
06/30/2021	Kiloutou		Kiloutou España			€11,900,000	2026
11/24/2021	Kiloutou		Kiloutou España			€6,595,000	2026

PLEDGE OF BUSINESS BASE

Date set up	Issuing company	Beneficiaries	Secured obligations	Sureties	Amount guaranteed
05/21/2019	Kiloutou Module	Banque Populaire	Standard equipment loan (No. 16455)	Fifth-rank pledge of a business base comprising the sale and rental of bungalows, storage containers and portable restrooms located in Alby sur Chéran	€292,290
11/02/2018	Kiloutou Module	BNPP	Amortizable EIB TF loan (No.16449)	Pledge of a business base comprising the sale and rental of bungalows, storage containers and portable restrooms located in Alby sur Chéran	€164.000
07/12/2018	Kiloutou Module	BNPP	Amortizable EIB TF loan (No.16448)	Pledge of a business base comprising the sale and rental of bungalows, storage containers and portable restrooms located in Alby sur Chéran	€400,000
07/19/2018	Kiloutou Module	BNPP	Amortizable EIB TF loan (No.16446)	Pledge of a business base comprising the sale and rental of bungalows, storage containers and portable restrooms located in Alby sur Chéran	€270,000
01/26/2015	Kiloutou Module	Banque Populaire and BNPP	Standard equipment loan (No. 16422/23)	Pledge of a business base comprising the sale and rental of bungalows, storage containers and portable restrooms located in Alby sur Chéran	€258,000
02/07/2015	Kiloutou Module	BNPP	Amortizable EIB TF loan (No.16425)	Pledge of a business base comprising the sale and rental of bungalows, storage containers and portable restrooms located in Alby sur Chéran	92,800
06/17/2019	JBL	CIC	Equipment		€113,000 2026

SURETIES, ENDORSEMENTS OTHER GUARANTEES OR COMMITMENTS

Date set up	Issuing company	Beneficiaries	Secured obligations	Sureties	Amount
12/17/2018	Kapla Holding	La Banque Postale	Overdraft agreement for an indefinite term	Letter of intent (Article 2322 of the French Civil Code), pursuant to which the issuing company agrees to do all that is necessary to ensure Kiloutou can meet the undertakings made with regard to the beneficiary	€2,500,000
12/18/2020	Kiloutou Module	Starlease	Leasing contracts entered into by MC LOC	Sureties provided by MC LOC for certain leasing contracts	€395,320
12/18/2020	Kiloutou Module	BPCE	Leasing contracts entered into by MC LOC	Sureties provided by MC LOC for certain leasing contracts	€1,381,441
12/18/2020	Kiloutou Module	Lixxbail	Leasing contracts entered into by MC LOC	Sureties provided by MC LOC for certain leasing contracts	€433,217
12/18/2020	MC LOC	Martin Calais	N/A	Non-exclusive agreement to purchase modular buildings from Martin Calais for a minimum annual amount of €500,000 for a five-year period beginning in 2021	€500,000
Miscellaneous	Dardiloc	CE	Leasing contract		€586,466

- **Leases**

Future minimum lease payments are shown below:

	Amount outstanding at Dec. 31, 2021	Due within 1 year	Due between 1 and 5 years	Due beyond 5 years
Outstanding lease payments	147.5	50.1	77.6	19.8 The

payments are due under leases of equipment and of premises used in the Kiloutou Group's operations.

- **Financial Instruments**

Details of financial instruments are disclosed in Note **7.1.5 Financial instruments. 7.2**

Notes to the Consolidated Income Statement

The consolidated income statement is presented by destination and reflects the characteristics of the Group's activities

7.2.1 Payroll Costs

The Group's headcount in 2021 was as follows:

Period	Average FTE	Headcount at period end
2021	5,100	5,675

7.2.2 Research and Development Costs

Not applicable.

7.2.3 Depreciation, Amortization, Impairment and Other Provisions

Net additions to depreciation, amortization and provisions for impairment of fixed assets

	Dec. 31. 2021	Dec. 31. 2020
−Operating equipment	5.0	4.4
−Rental equipment	148.1	145.8
−Other	13.1	12.2
Total	**166.2**	**162.5**

Net additions to provisions for impairment of current assets and for contingencies and charges

	Dec. 31. 2021		Dec. 31. 2020
−Recorded in operating expenses	**2.6**		**2.2**
o/w provisions for restoration costs (excl. from EBITDA)	0.2		0.6
o/w provisions for impairment of trade receivables —	2.7	—	1.0
o/w provisions for impairment of inventories —	0.4		1.4
o/w provision for retirement benefit obligations (excl. from EBITDA)	0.4		0.9
o/w provision for stock options	—		—
o/w other provisions —	0.1		0.2
−Recorded in financial expenses	**10.1**		**1.3**
−Recorded in extraordinary expenses (income tax provision and other)	**—**		**—**
Total	**7.5**		**3.5**

The amount shown in the statement of cash flows for depreciation, amortization and provisions corresponds to (i) €166.2 million in depreciation and amortization plus (ii) additions to provisions eliminated for the purposes of calculating EBITDA, equaling €0.2 million and €0.4 million respectively, making a total of€166.8 million.

7.2.4 Net Financial Income

As the consolidated income statement is presented based on cost accounting principles, financial items have been allocated to the following lines:

	Dec. 31. 2021	Dec. 31. 2020
−Equipment costs	4.4	5.9
−Rental costs	0.0	0.0
−Other financial expenses	50.2	53.9
Total	**54.6**	**59.8**

Financial expense was impacted by the costs of setting up refinancing arrangements in 2019 for total amounts of approximately €48 million at December 31, 2021, and €46 million at December 31, 2020.

7.2.5 Other Income from Ordinary Activities, Excluding the Rental Business

In the year ended December 31, 2021, income from ordinary activities other than the rental business was recorded under "Other operating income and expenses, net" within "Net income from ordinary activities".

Income and expenses arising on sales of rental equipment are directly recorded under gross profit in view of their recurring nature.

7.2.6 Extraordinary Income and Expenses

Difference between extraordinary income and income from ordinary activities after depreciation, amortization and impairment of goodwill:

Income from ordinary activities relates to income earned in the ordinary course of business, as well as incidental income or income earned on operations linked to the core business.

Extraordinary income relates to income arising on unusual events or transactions outside the scope of ordinary activities that are not expected to recur on a regular basis.

Extraordinary items recognized in the income statement are as follows:

Extraordinary Income and Expenses	Dec. 31. 2021	Dec. 31. 2020
−Fees on discontinued projects		1.6
−Other	1.2	0.2
Total	**1.2**	**1.8**

7.2.7 Taxes

The tax expense is detailed in Note 7.1.4.2 Income tax.

8 Other Information

8.1 Segment Reporting

8.1.1 Sales by Nature

	Dec. 31. 2021	%	Dec. 31. 2020	%
REVENUE FROM RENTALS	555.7	70.1%	456.9	70.7%
REVENUE FROM SUB-RENTALS	17.6	2.2%	14.5	2.3%
REVENUE FROM EQUIPMENT BREAKDO	37.1	4.7%	30.5	4.7%
SALES OF CONSUMABLES	62.6	7.9%	49.4	7.7%
TRANSPORT AND DELIVERIES	91.6	11.5%	73.8	11.4%
CLEANING AND REPAIRS	27.7	3.5%	20.8	3.2%
OTHER SERVICES AND MISCELLANEOUS	-2.3	-0.3%	-1.6	-0.2%
REVENUE FROM TRAINING	2.9	0.4%	1.7	0.3%
Total	**792.9**	**100.0%**	**646.1**	**100.0%**

The Group's main business activity is equipment rentals and sales of related services.

8.1.2 Sales by Geographic Region

Sales contributions by country	Dec. 31. 2021	%	Dec. 31. 2020	%
General rentals−France	588.8	74.3%	479.2	74.2%
Specialist rentals−France	59.9	7.6%	44.6	6.9%
Poland	25.3	3.2%	20.8	3.2%
Germany	41.4	5.2%	37.5	5.8%
Italy	55.9	7.0%	46.7	7.2%
Spain	21.7	2.7%	17.4	2.7%
Total	**792.9**	**100.0%**	**646.1**	**100.0%**

EBITDA contributions by country	Dec. 31. 2021	%	Dec. 31. 2020	%
General rentals−France	181.5	70.4%	142.5	70.7%
Specialist rentals−France	21.3	8.3%	14.1	7.0%
Poland	9.7	3.8%	6.8	3.4%
Germany	13.3	5.2%	12.5	6.2%
Italy	26.1	10.1%	21.7	10.8%
Spain	6.0	2.3%	3.9	1.9%
Total	**257.9**	**100.0%**	**201.6**	**100.0%**

8.2 Other Disclosures

Subsequent events

AB Materiels, Salmat and Jean Bart Location will be dissolved in a "TUP" business transfer procedure (AB Materiels on May 2, 2022, and Salmat and Jean Bart Location on April 1, 2022).

In Spain, Diaz Miquelez and Almaq will be merged into Kiloutou España in the same period.

The conflict in Ukraine began on February 24, 2022—after the reporting date—and therefore had no impact on the financial statements for the year ended December 31, 2021. Any impact on the financial year through

December 31, 2022 is not known at present. The Company is closely monitoring all possible consequences of political conflict on its business in 2022.

The Kiloutou Group has signed an agreement with the CataCap fund to acquire GSV, the leading equipment rental company in Denmark. Kiloutou is set to enter a new phase in its international development by moving into the resilient and dynamic Danish market. GSV was founded in 1964 and is currently the number one equipment rental company in Denmark, with a market share of 22% and the largest range of equipment in the sector (22,000 articles). GSV reported revenue of approximately €130 million in 2021. It employs 485 people and operates a network of 19 branches throughout Denmark.

Transactions with related parties

The Group's related parties correspond to shareholders (both individuals and legal entities) and holders of convertible bonds.

In € millions	Shareholder current accounts	Convertible bonds	Accrued interest on convertible bonds	Trade payables	Interest on convertible bonds	Management fees
	Balance sheet	Balance sheet	Balance sheet	Balance sheet	Income Statement	Income Statement
Related party transactions . . .	0.0	165.0	66.2	0.0	19.3	0.0

Executive compensation

This information is not disclosed as it would result in the disclosure of an individual amount.

Covenants linked to the new high-yield bond financing

The new bond financing set up on December 12, 2019 requires the Group to comply with several bank covenants. These covenants are mainly designed to set a framework for any new borrowings or one-off payments outside the scope of the Group's ordinary, recurring activities.

The Group complied with all of these covenants at December 31, 2021.

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CS 75039
59705 Marcq en Baroeul
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Kapla Holding SAS

Statutory Auditors' report
on the consolidated financial statements

For the year ended December 31, 2020
Kapla Holding SAS
30 bis rue Sainte-Hélène, 69002 Lyon, France
This report contains 39 pages

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Kapla Holding SAS

Registered office: 30 bis rue Sainte-Hélène, 69002 Lyon, France Share capital: €5,106,730

Statutory Auditors' report
on the consolidated financial statements

For the year ended December 31, 2020

This is a free translation into English of the Statutory Auditors' report issued in French and is provided solely for the convenience of English speaking readers. This report includes information specifically required by European regulations or French law, such as information about the appointment of Statutory Auditors. 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,

Opinion

In compliance with the engagement entrusted to us by your Annual General Meeting for KPMG and your by-laws for PricewaterhouseCoopers Audit, we have audited the accompanying consolidated financial statements of Kapla Holding SAS for the year ended December 31, 2020.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group at December 31, 2020 and of the results of its operations for the year then ended in accordance with French accounting principles.

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 these standards are further described in the "Responsibilities of the Statutory Auditors relating to the audit of the consolidated financial statements" section of our report.

Independence

We conducted our audit engagement in compliance with the independence rules provided for in the French Commercial Code (*Code de commerce*) and the French Code of Ethics (*Code de déontologie*) for Statutory Auditors for the period from January 1, 2020 to the date of our report.

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 matters that, in our professional judgment, were the most significant in our audit of the consolidated financial statements.

These matters were addressed as part of our audit of the consolidated financial statements as a whole, and therefore contributed to the opinion we formed as expressed above. We do not provide a separate opinion on specific items of the consolidated financial statements.

Accounting principles and policies

- Note 4.9 "Financial Instruments" and Note 7.1.5 "Financial Instruments" to the consolidated financial statements set out the accounting principles and policies related to the recognition of financial instruments and a provision for risks arising on financial instruments not qualifying for hedge accounting.

As part of our assessment of the accounting principles and policies applied by the Group, we verified the appropriateness and correct application of the abovementioned accounting methods and of the disclosures provided in the notes to the consolidated financial statements.

Accounting estimates

- Goodwill and unamortizable intangible assets (including trademarks) were tested for impairment in accordance with the methods described in Note 3.4.2 "Fair Value Adjustments, Goodwill and Other Intangible Assets", Note 7.1.1.1 "Goodwill" and Note 7.1.1.2 "Intangible assets" to the consolidated financial statements.

Based on the information provided to us, our work consisted in assessing the data underlying the impairment tests, including by examining the updated profitability outlook of the businesses in question and verifying the consistency of the assumptions used with the forecast data from the strategic plans prepared by each of the businesses, under the supervision of senior management.

As part of our assessments, we verified that the estimates made were reasonable.

Specific verifications

As required by legal and regulatory provisions and in accordance with professional standards applicable in France, we have also verified the information pertaining to the Group presented in the Chairman's management report.

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 preparing consolidated financial statements giving a true and fair view in accordance with French accounting principles, and for implementing the internal control procedures it deems necessary for the preparation of consolidated financial statements that are free of 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 expects to liquidate the Company or to cease operations.

The consolidated financial statements were approved by the Chairman.

Responsibilities of the Statutory Auditors relating to 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 of 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 taken by users on the basis of these consolidated financial statements.

As specified in Article L.823-10-1 of the French Commercial Code, our audit does not include assurance on the viability or quality of the Company's management.

As part of an audit conducted in accordance with professional standards applicable in France, the Statutory Auditors exercise professional judgment throughout the audit.

They also:

- identify and assess the risks of material misstatement in the consolidated financial statements, whether due to fraud or error, design and perform audit procedures in response to those risks, and obtain audit evidence considered to be sufficient and appropriate to provide a basis for their opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of the internal control procedures 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;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management and the related disclosures in the notes to the consolidated financial statements;
- assess 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 the audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the Statutory Auditors conclude that a material uncertainty exists, they are required to draw attention in the audit report to the related disclosures in the consolidated financial statements or, if such disclosures are not provided or are inadequate, to issue a qualified opinion or a disclaimer of opinion;
- evaluate the overall presentation of the consolidated financial statements and assess whether these statements represent the underlying transactions and events in a manner that achieves fair presentation;
- obtain 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 Auditors are responsible for the management, supervision and performance of the audit of the consolidated financial statements and for the opinion expressed thereon.

Marcq en Baroeul, March 26, 2021
KPMG S.A.

Eric Delebarre
Partner

Neuilly-sur-Seine, March 26, 2021
PricewaterhouseCoopers Audit

Alexandre Decrand
Partner

KAPLA HOLDING

Consolidated Financial Statements

for the Year Ended December 31, 2020

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1 Consolidated Balance Sheet

ASSETS	Dec. 31, 2020			Dec. 31, 2019
In € millions	GROSS	DEPR/AMT/PROV	NET	NET
Goodwill	**690.9**	**0.0**	**690.9**	**664.9**
Intangible assets	**513.9**	**(63.0)**	**450.9**	**463.9**
o/w trademarks	340.5	(0.5)	340.0	340.0
o/w customer relationships	147.1	(44.1)	102.9	117.9
o/w software and other	24.1	(17.9)	6.2	4.2
o/w leasehold rights	2.3	(0.5)	1.7	1.8
Property, plant and equipment	**1,612.3**	**(992.1)**	**620.2**	**619.7**
o/w land and buildings	194.4	(108.5)	85.9	86.0
o/w rental equipment	1,337.8	(826.4)	511.3	515.1
o/w other	80.2	(57.2)	23.0	18.6
Other financial fixed assets	**3.763**	**(0.0)**	**3.7**	**3.2**
Investments accounted for by the equity method	**0.0**	**0.0**	**0.0**	**0.0**
TOTAL FIXED ASSETS	**2,820.9**	**(1,055.1)**	**1,765.8**	**1,751.7**
Inventories & work in progress	**25.6**	**(4.3)**	**21.4**	**16.6**
Customer advances and prepayments	**0.3**	**0.0**	**0.3**	**0.6**
Trade receivables	**162.5**	**(20.0)**	**142.4**	**163.5**
Other receivables	**33.5**	**0.0**	**33.5**	**29.1**
Marketable securities	**12.0**	**0.0**	**12.0**	**7.0**
Cash in bank and at hand	**178.2**	**0.0**	**178.2**	**97.7**
Accruals and other assets	**15.3**	**0.0**	**15.3**	**15.9**
TOTAL CURRENT ASSETS	**427.4**	**(24.3)**	**403.2**	**330.4**
TOTAL ASSETS	**(1,742.2)**	**(1,079.4)**	**2,168.9**	**2,082.2**

EQUITY AND LIABILITIES	Dec. 31, 2020 NET	Dec. 31, 2019 NET
Share capital	5.1	5.1
Additional paid-in capital	484.9	484.9
Reserves & retained earnings	6.0	18.8
Net income/(loss) attributable to owners of the parent	**(42.0)**	**(9.7)**
Equity attributable to owners of the parent	**454.0**	**499.1**
Minority interests	**0.0**	**0.0**
TOTAL EQUITY	**454.0**	**499.1**
Provisions for restoring assets used under operating leases	3.6	2.7
Provisions for general contingencies and charges	71.2	67.8
Provisions for contingencies and charges	**71.2**	**67.8**
Bonds	**1,073.2**	**1,055.7**
o/w convertible bonds	211.9	194.2
o/w other bonds	861.3	861.5
Borrowings from financial institutions	**408.6**	**283.7**
o/w bank borrowings	156.1	40.5
o/w finance leases for equipment	252.2	242.8
o/w finance leases for real estate	0.2	0.3
o/w short-term bank borrowings	0.1	0.1
Other borrowings	**11.2**	**11.9**
Finance leases−residual value	11.2	11.9
Other borrowings other than from financial institutions	**1.0**	**1.1**
o/w employee profit sharing	1.0	1.0
o/w deposits and guarantees	0.1	0.1
Trade payables	**68.7**	**74.6**
o/w due to general suppliers	64.5	71.8
o/w due to suppliers of fixed assets	4.1	2.8
Tax and payroll liabilities	**66.1**	**71.8**
Other payables	**10.6**	**12.5**
o/w intercompany current accounts	0.0	0.0
o/w miscellaneous payables	10.6	12.5
Accruals and other liabilities	**4.3**	**4.0**
TOTAL LIABILITIES	**1,643.7**	**1,515.3**
TOTAL EQUITY AND LIABILITIES	**2,168.9**	**2,082.2**

2 Consolidated Income Statement

In € millions

	Note	Kiloutou 12 months FY 2020		Kiloutou 12 months FY 2019	
		12 months		12 months	
Revenue from rentals		456.9	70.72%	520.6	70.60%
Revenue from services and sub-leases		189.2	29.28%	216.7	29.40%
TOTAL REVENUE		**646.1**	**100.00%**	**737.3**	**100.00%**
Net losses/(gains) on equipment sales/retirements		(28.3)	(4.39)%	(28.5)	(3.87)%
Maintenance costs		50.6	7.83%	55.3	7.50%
Ownership costs		162.4	25.13%	150.3	20.39%
Logistics costs		50.5	7.81%	53.7	7.28%
Other costs		42.5	6.58%	50.8	6.89%
Total equipment and logistics costs		**277.6**	**42.97%**	**281.6**	**38.19%**
GROSS PROFIT		**368.5**	**57.03%**	**455.7**	**61.81%**
Wages and paid vacation provisions		136.4	21.11%	147.6	20.02%
Payroll taxes and training levy		48.6	7.53%	54.5	7.39%
Performance bonuses		9.3	1.44%	15.4	2.08%
Other expenses		8.5	1.31%	12.7	1.72%
Total payroll costs		**202.8**	**31.39%**	**230.1**	**31.21%**
Advertising costs		**5.5**	**0.85%**	**6.2**	**0.85%**
Overheads		**61.5**	**9.51%**	**64.3**	**8.72%**
Rental costs		**58.6**	**9.07%**	**55.5**	**7.53%**
Net expense for doubtful receivables		**3.1**	**0.48%**	**5.0**	**0.68%**
Financial expenses	7.2.4	**59.8**	**9.26%**	**76.1**	**10.32%**
Other operating income and expenses, net		**(0.6)**	**(0.09)%**	**(0.3)**	**(0.04)%**
NET INCOME (LOSS) FROM ORDINARY ACTIVITIES		**(22.2)**	**(3.44)%**	**18.8**	**2.55%**
Amortization of fair value adjustments to intangible assets		**14.7**	**2.28%**	**14.7**	**2.00%**
NET INCOME (LOSS) FROM ORDINARY ACTIVITIES after amortization of intangible assets		**(36.9)**	**(5.72)%**	**4.0**	**0.55%**
Extraordinary income (-) and expenses (+)	7.2.6	**1.8**	**0.27%**	**2.8**	**0.38%**
Income Tax		**3.3**	**0.51%**	**10.9**	**1.48%**
NET INCOME (LOSS) FOR THE PERIOD BEFORE MINORITY INTERESTS		**(42.0)**	**(6.50)%**	**(9.7)**	**(1.31)%**
Net income for the period attributable to minority interests		0.0	0.00%	0.0	0.00%
NET INCOME (LOSS) FOR THE PERIOD ATTRIBUTABLE TO OWNERS OF THE PARENT		**(42.0)**	**(6.50)%**	**(9.7)**	**(1.31)%**
EBITDA		**201.6**	**31.20%**	**243.8**	**33.07%**
Earnings (loss) per share (in €)		(0.08)		(0.02)	
Diluted earnings (loss) per share (in €)		(0.08)		(0.02)	

2 Consolidated Statement of Cash Flows

In € millions Cash in (+) / Cash out (-)	Note	Kiloutou 12 months FY 2020 12 months	Kiloutou 12 months FY 2019 12 months
Net income (loss) for the period attributable to owners of the parent		**(42.0)**	**(9.7)**
Net income for the period attributable to minority interests		0.0	0.0
Depreciation, amortization and provisions	**7.2.3**	164.0	149.0
Amortization of fair value adjustments to intangible assets	**7.1.1**	14.7	14.7
Interest expenses	**7.2.4**	59.8	76.1
Income tax	**7.1.4.2**	3.3	10.9
Extraordinary income and expenses	**7.2.6**	1.8	2.8
EBITDA		**201.6**	**243.8**
Change in working capital (excl. changes in deferred taxes)		**2.0**	**(21.0)**
Increase/decrease in inventories		*(4.5)*	*(3.5)*
Increase/decrease in trade receivables		*24.1*	*3.2*
Increase/decrease in trade payables		*(8.6)*	*(16.2)*
Other movements		*(9.0)*	*(4.5)*
Extraordinary expenses paid		**(1.8)**	**(2.8)**
Financial expenses paid		**(41.3)**	**(49.2)**
Income tax & CICE tax paid		**0.4**	**(0.9)**
CVAE tax paid		**(5.8)**	**(6.8)**
Net book value of fixed assets and disposals of real estate assets		**5.2**	**4.5**
NET CASH GENERATED FROM OPERATING ACTIVITIES (A)		**160.4**	**167.6**
CAPEX		**(148.3)**	**(211.1)**
o/w investments in equity		*(66.2)*	*(150.1)*
o/w investments in finance leases		*(82.1)*	*(61.0)*
Change in amounts due to suppliers of fixed assets		**1.3**	**(0.3)**
Cash flows from financial fixed assets		**(0.1)**	**(0.2)**
Net proceeds from disposals of fixed assets		**0.9**	**0.1**
Impact of changes in scope of consolidation		**(42.5)**	**(25.1)**
NET CASH USED IN INVESTING ACTIVITIES (B)		**(188.7)**	**(236.6)**
Capital increase		0.0	(0.0)
Increase in borrowings from financial institutions		245.0	158.1
Increase in other borrowings		(0.0)	859.9
Setting up new finance leases		82.3	61.3
Dividends paid		0.0	0.0
Decrease in debt		(135.3)	(855.9)
Decrease in finance lease liabilities		(77.8)	(76.6)
NET CASH GENERATED FROM FINANCING ACTIVITIES (C)		**114.2**	**146.7**
Net increase in cash and cash equivalents		85.9	77.8
Effect of exchange rate changes on cash and cash equivalents		(0.4)	0.0
Cash and cash equivalents at beginning of period		104.6	26.8
Cash and cash equivalents at end of period		**190.1**	**104.6**

The Group works with "mixed" suppliers, providing equipment, parts and consumables. Flows relating to these suppliers (trade and non-trade) are recorded under a global entry. The type of supplier therefore does not have an impact on the "Change in amounts due to suppliers of fixed assets".

• Cash and cash equivalents break down as follows:

In € millions	At Dec. 31, 2020	At Dec. 31, 2019
Marketable securities	12.0	7.0
Cash in bank and at hand	178.2	97.7
Short-term bank loans and overdrafts	(0.1)	(0.1)
Total	**190.1**	**104.6**

• Cash flows related to finance leases

When a finance lease is entered into, the corresponding cash flows are included in cash flows from both investing activities and financing activities.

Detailed information about the Group's investments and financing is provided in Notes 7.1.1.3 and 7.1.4.3, respectively.

The portion of lease payments under finance leases that corresponds to financial expenses is included in cash flows from operating activities.

The portion of lease payments that corresponds to the repayment of the principal amount of finance leases is included in cash flows from financing activities (under "Decrease in finance lease liabilities").

• EBITDA

EBITDA corresponds to total net income for the period before depreciation, amortization and provisions, amortization of fair value adjustments to intangible assets, interest, income tax and extraordinary income and expenses.

Consequently, after elimination of the above items, it corresponds to the Group's revenue from operations carried out in the normal course of its business (rentals, services, sales of rental equipment recognized as fixed assets, etc.).

• Impact of changes in scope of consolidation

This cash flow statement line corresponds to net cash flows related to purchases of shares in consolidated companies (purchase cost of shares of €44.6 million less cash acquired for €2.1 million).

• Consolidated Statement of Changes in Equity

In € millions	Share capital	Additional paid-in capital	Consolidated reserves	Net income (loss) for the period	Exchange differences	Equity attributable to owners of the parent
At December 31, 2018	**5.1**	**484.9**	**(1.7)**	**20.5**	**0.0**	**508.8**
Change in share capital of the parent company	0.0	(0.1)	0.0	0.0	0.0	0.0
Appropriation of net income (loss)	0.0	0.0	20.5	(20.5)	0.0	0.0
Other movements	0.0	0.0	(0.2)	0.0	0.0	(0.2)
Net income (loss) for the period	0.0	0.0	0.0	(9.7)	0.0	(9.7)
Dividends paid by the parent company	0.0	0.0	0.0	0.0	0.0	0.0
Exchange differences	0.0	0.0	0.0	0.0	0.2	0.2
At December 31, 2019	**5.1**	**484.9**	**18.6**	**(9.7)**	**0.2**	**499.1**
At December 31, 2019	**5.1**	**484.9**	**18.6**	**(9.7)**	**0.2**	**499.1**
Change in share capital of the parent company	0.0	0.0	0.0	0.0	0.0	0.0
Appropriation of net income (loss)	0.0	0.0	(9.7)	9.7	0.0	0.0
Other movements	0.0	0.0	(0.4)	0.0	0.0	(0.4)
Net income (loss) for the period	0.0	0.0	0.0	(42.0)	0.0	(42.0)
Dividends paid by the parent company	0.0	0.0	0.0	0.0	0.0	0.0
Exchange differences	0.0	0.0	(1.3)	0.0	(1.4)	(2.6)
At December 31, 2020	**5.1**	**484.9**	**7.2**	**(42.0)**	**(1.1)**	**454.0**

3 Consolidation Principles and Methods

The consolidated financial statements for the year ended December 31, 2020 were drawn up based on French generally accepted accounting principles (CRC 99-02).

Kapla Holding's parent company, Kapla Holding SAS, prepares consolidated financial statements for its entire group.

3.1 General Information

The notes to these consolidated financial statements are presented in millions of euros.

The consolidated financial statements for the year ended December 31, 2020 show the following:

- Total assets: €2,168.9 million.
- Net loss for the period attributable to owners of the parent: €42.0 million.

3.2 Applicable Accounting Principles

The consolidated financial statements for the year ended December 31, 2020 were drawn up based on French accounting standards CRC 99-02 and ANC 2015-07 of November 23, 2015.

All of the companies in the Group prepare their financial statements in accordance with the going concern principle.

3.3 Significant Events of the Year

Controlling interests acquired by the Kapla Group in 2020:

In 2020, the Kapla Group acquired control of various companies. Depending on the date they were acquired, these companies have been consolidated as from the dates stated below:

- Locamodul SAS and Samlloc Modulaire SAS, two French companies specialized in the rental and sale of modular buildings, acquired in February.
- MC loc SAS, a French company specialized in the rental of modular buildings, acquired in December.

In July, Wiesecker GmbH's business was acquired by means of a partial asset contribution to Newco, which subsequently became Wiesecker GmbH.

Franche-Comte Materiels SAS was merged into the Kapla Group in 2020.

This company was dissolved after its assets and liabilities had been transferred to Kiloutou SAS in a "TUP" business transfer procedure.

As this merger was between two companies that are wholly owned by the Group, it did not have any impact on the consolidated financial statements.

Impact of the Covid-19 crisis on our businesses and measures taken to mitigate its effects

The first-half of the year can be divided into three periods:

- The first part—before March 13, 2020—during which the Group's business remained at a satisfactory level.
- During the second period—from March 13, 2020 to end-May—the Covid-19 crisis had a brutal impact on the Group's businesses. The situation varied enormously depending on the severity of the restrictions and the seriousness of the epidemic.

Certain countries were severely impacted by lockdown measures and business virtually ceased. Even though the crisis hit France a little later, Kiloutou France SAS was forced to close its stores from March 17. Italy did the same beginning on March 25, with the exception of the Padua branch. Spain introduced similar measures, closing seven downtown stores mid-March, followed by other store closures on March 29.

Poland and Germany were not as badly affected and no stores actually closed their doors. In these countries, business mostly continued despite the pandemic.

In the specialist French businesses, the situation was very different: the events business was most severely impacted as the entire events industry ground to a halt in early March. The modular buildings business also shut down with the closure of building sites and Kiloutou Energy's business slowed down considerably.

- During the third period—the month of June—business resumed and gradually returned to normal, albeit below pre-crisis levels.

Senior management deployed various measures to weather the crisis and contend with the negative impact of the pandemic on the Group as a whole and on the individual entities:

- More than ever, our priority is the health and safety of our employees and their families, our customers, partners and suppliers and all of the other stakeholders. Accordingly, we introduced new safety protocols in all countries and regions impacted by the Covid-19 pandemic with a view to organizing contact-free deliveries for our customers and frequent disinfecting of all material rented out.
- The Group had almost €190 million in cash reserves at December 31, 2020.
- The Group entered into a number of equipment sale and leaseback operations with banks.
- A €125 million State-backed loan was secured in July 2020.
- The Group has drastically reduced its investments, particularly in rental equipment .
- Reduction in operating costs, including labor costs through the introduction of a furlough scheme in France, Italy and Spain. The vast majority of employees in France and Italy were furloughed throughout the lockdown. Stores affected in other countries also adapted their labor costs to current levels of business by using the full range of ordinary and extraordinary regulations available (vacation, furlough schemes, etc.).

The Group finally began reopening its stores from mid-April:

- In France, stores began reopening in early April. The aim was to be able to deal with the resumption of activity and building work. The specialist businesses followed suit, with the exception of Loca Réception, the subsidiary most affected by the Covid-19 crisis due to the decline in activity in the events industry.
- Italy and Spain, which were also severely impacted by Covid-19, also began opening their stores in May.
- Germany and Poland, which did not close any of their stores, are having to contend with a decline in activity and are doing everything they can to get business levels back up.

For 2020 as a whole, the impact of the health crisis on consolidated revenue and EBITDA was estimated at€92 million and €44 million respectively, corresponding to a complete shutdown of the business during the spring lockdown between March and May 2020. This estimated impact was based on a comparison with the same months in the prior year and on budget information.

Key judgments factored in changes in economic circumstances. However, this did not lead to the recognition of any material provisions for impairment in the accounts.

3.4 Basis of Consolidation

3.4.1 *Consolidation Methods*

All of the Group's companies are fully consolidated.

All material transactions between Group companies are eliminated on consolidation as well as unrealized gains on intercompany transactions (capital gains, dividends, etc.).

3.4.2 *Fair Value Adjustments, Goodwill and Other Intangible Assets*

The identifiable assets and liabilities of acquired companies are measured at fair value on first-time consolidation.

Fair value adjustments are recognized where necessary, along with the corresponding deferred taxes. Any goodwill, badwill, fair value adjustments or transaction costs related to shares purchased prior to the date on which control is acquired are eliminated on consolidation as they are not considered to be identifiable assets or liabilities.

Any difference between (i) the acquisition cost of the shares of a newly consolidated company (including net-of-tax transaction costs) and (ii) the acquisition-date fair value of the identifiable assets and liabilities acquired, is recognized under "Goodwill" in the consolidated balance sheet.

Following the transposition of Directive 2013/34/EU of the European Parliament into French law by Government Order no. 2015-900 and Decree no. 2015-903 of July 23, 2015, goodwill recognized on the

acquisition of consolidated companies is not amortized as the activities to which the goodwill relates do not have any foreseeable limit.

Impact of the acquisition of the Kiloutou Group by Kapla Holding in 2018:

The intangible assets identified by the Group correspond to the value of (i) a trademark, and (ii) customer relationships, in view of the recurring revenue generated with customers.

The value of the trademark concerned was measured using the relief-from-royalty method (by capitalizing future royalties to infinity based on the assumption of a 1.5% annual growth rate and an 8.43% discount rate).

Customer relationships have been recognized as intangible assets in view of the highly recurring nature of revenue identified for certain business units. Based on the business unit analyses used by Group management, customer relationship intangible assets have been identified for the following business units: (i) general rentals in France, (ii) specialist rentals in France, and (iii) general rentals in Poland, Italy and Germany.

The intangible assets recognized for these customer relationships are amortized on a straight-line basis over a period of ten years, with the recognition of corresponding deferred taxes.

Property, plant and equipment are measured at fair value. Only real estate assets are revalued, with the revaluations based on values provided by real estate valuation experts, which are updated where necessary to take into account changes in the local property markets in the countries where the assets are located. Revalued assets are depreciated on a straight-line basis over a period of 20 years for real estate owned outright or between 10 and 15 years for real estate assets built on land held through ground leases.

Impairment of assets

ANC Standard 2015-06 regarding the Chart of Accounts and ANC Standard 2015-07 regarding consolidated financial statements issued by the French accounting standards-setter (*Autorité des Normes Comptables*) define the procedures to be applied by an entity to ensure that the carrying amount of its property, plant and equipment and intangible assets (including goodwill) does not exceed their recoverable amount, i.e., the amount that will be recovered through their use or sale.

The recoverable amount represents the higher of fair value and value in use.

Fair value corresponds to the price that would be set in a binding sale agreement under arm's length conditions.

- Fair value can also be a price quoted on an active market.
- Fair value can also be estimated by reference to recent transactions involving similar assets in the same business sector (e.g., multiples).

Value in use represents the value of future economic benefits expected to arise from the use of an asset and from its disposal. Future economic benefits represent the present value of the estimated net cash flows expected to be generated by the asset (or group of assets).

The Group calculated the value in use of its different cash-generating units (CGU) based on the "net flows" recoverable in equity method, which were then adjusted for net debt.

"Net flows" recoverable in equity include cash flows from recurring operations, capital expenditure, investments in external growth projects and their impact on the business, debt service and changes in debt and working capital, together with all of the related tax effects.

Cash flows are estimated based on seven-year business plans or budgets, and a terminal value is calculated.

Flows are discounted using the Cost of Equity (CoE), calculated at post-tax, long-term market rates that reflect current market assessments of the time value of money and risks specific to the assets. The discount rates used are between 14.0% and 16.2%, depending on the operating country within the CGU.

The terminal value is calculated using the perpetual growth method applied to cash flow from operating activities (including capex). The terminal value is also calculated

- by applying a perpetual growth rate of between 1.35% and 2.4%, depending on the country (calculated in line with the inflation rate in each country) and based on the Weighted Average Cost of Capital (WACC). The discount rate used for each country differs for each operating country within the CGU and ranges from 8.1% to 9.2%.

After factoring in these different parameters, the business valuations obtained indicated that no impairment losses needed to be recognized against assets, either at individual CGU or at Group level.

A sensitivity analysis was performed by increasing the discount rate or lowering the growth rate used. A 0.1%increase in the discount rate would require us to recognize an impairment loss against one of the CGUs, although total value would be unaffected. A 0.5% increase in the discount rate, combined with a 2% reduction in the growth rate would require us to book an impairment loss.

	Pivot Value			
Pivot Value	**WACC**	**CoE**	**Growth in %**	**Headr. / badwill**
Kiloutou				**77**
UGT-France Generalist	8.6%	14.7%	1.6%	**5**
UGT-France Generalist	8.6%	14.7%	1.6%	**14**
UGT-International				**58**
Poland	8.9%	15.3%	2.4%	**6**
Germany	8.1%	14.0%	2.0%	**8**
Italy	9.2%	16.2%	1.4%	**29**
Spain	8.7%	14.9%	1.7%	**15**

Sensitivity Analysis	**Disc. rate = +0.5%** **Headr. / badwill**	**Growth rate = +0.2% Disc.Rate = +0.5%** **Headr. / badwill**
Kiloutou	**52**	**(85)**
UGT-France Generalist	**(10)**	**(84)**
UGT-Location de spécialité	**11**	**(3)**
UGT-International	**52**	**2**
Poland	**5**	**(2)**
Germany	**3**	**(19)**
Italy	**30**	**16**
Spain	**13**	**7**

Besides goodwill and intangible assets with an indefinite useful life, which are to be tested for impairment at least once a year, the recoverable amount of an asset is estimated whenever there is evidence that the asset may have suffered a loss in value (loss in revenue, decrease in cash flows, lower profitability).

To perform these tests, assets are grouped together into Cash Generating Units (CGUs). CGUs are the smallest group of assets which includes the assets to be tested for impairment that generate cash flows that are largely independent from those generated by other groups of assets. For goodwill, trademarks and corporate assets that could not be allocated in full to a CGU, the impairment tests are performed at a larger level (group of legal entities or country, etc.).

No loss in value came to light as a result of the impairment tests carried out in 2020 and no impairment was therefore recognized.

3.4.3 *Fiscal Year-End*

All Group companies had a December 31, 2020 fiscal year-end.

3.4.4 *Foreign Currency Translation*

Income and expense items of subsidiaries located outside the euro zone are translated at average exchange rates for the year.

Balance sheet items are translated at the closing rate at the balance sheet date and all resulting exchange differences are recognized in a separate line in equity.

Summary of accounting options used by the Kapla Holding Group in its consolidated financial statements:

- Recognition of a provision for all retirement benefit obligations.
- Capitalization of assets held under finance leases.
- Amortization of debt issuance costs over the life of the corresponding debt.

- Recognition in consolidated net income of exchange differences recorded in the individual financial statements of Group companies.
- Expensing of business incorporation, start-up and transformation costs.

4 Summary of Significant Accounting Policies

4.1 Changes in Accounting Policies or Measurement Methods

4.1.1 *Changes in Accounting Policies*

There were no changes in the Group's accounting policies in 2020.

4.1.2 *Changes in Estimates and Assumptions*

There were no changes in the estimates or assumptions used by the Group in 2020.

4.1.3 *Error Corrections*

No error corrections were made in 2020.

4.2 Property, Plant and Equipment and Intangible Assets

4.2.1 *Measurement Methods*

Property, plant and equipment and intangible assets are measured at their acquisition cost, excluding any related borrowing costs.

Intangible assets primarily include:

- software, which is measured at acquisition cost;
- leasehold rights;
- goodwill;
- trademarks;
- customer relationships;

Property, plant and equipment mainly include:

- land and buildings;
- rental equipment;
- vehicles and office and IT equipment. Finance leases

In accordance with the recommended method under French generally accepted accounting principles (French GAAP), the Group capitalizes assets held under finance leases.

These assets are capitalized when:

- the lease transfers ownership of the asset to the lessee by the end of the lease term;
- the lease contains a bargain purchase option;
- the lease covers the majority of the economic life of the asset, irrespective of whether ownership is transferred to the lessee by the end of the lease term;
- the present value of the minimum lease payments at the inception of the lease is equal to, or greater than, substantially all of the fair value of the leased asset.

The Group's finance leases mainly concern rental equipment, land and buildings.

- The leased assets are capitalized and are depreciated in the same way as the Group's other property, plant and equipment.
- The aggregate amount of the lease payments is accounted for in the same way as the repayment of a conventional loan taken out to finance the assets concerned. Consequently, lease payments recorded in the individual financial statements of Group companies are eliminated on consolidation through the recognition of interest expense and the repayment of the finance lease liability over the term of the lease.

- Under French GAAP, capitalization of assets held under finance leases is only permitted in consolidated financial statements and not in individual company financial statements.

4.2.2 *Methods Used to Calculate Depreciation, Amortization and Impairment*

The amortization of intangible assets (excluding market share and trademarks) and the depreciation of property, plant and equipment are calculated using the straight-line method, based on the estimated useful lives of the assets concerned. The amortizable/depreciable amount corresponds to the asset's acquisition cost, as defined above, less any residual value.

If any indication of impairment is identified, an impairment loss is recognized where the fair value of an asset is lower than its carrying amount.

The useful lives of the Group's main assets are as follows:

• software	1 to 5 years
• buildings	20 years
• leasehold improvements, fixtures and fittings	4 to 10 years
• lifting equipment	3 to 9 years
• earth-moving equipment	3 to 9 years
• other equipment	3 to 10 years
• vehicles	3 to 5 years
• office and IT equipment	3 to 6 years
• furniture	3 to 10 years

4.3 Inventories

4.3.1 *Measurement Method*

Spare parts and consumables are measured based on the latest known prices, including incidental expenses.

4.3.2 *Methods Used to Calculate Impairment Provisions for Each Inventory Category*

Provisions for impairment of inventories are determined based on turnover forecasts for each category of inventory.

4.4 Receivables and Payables

Receivables and payables are recognized at nominal value.

Subsequent to initial recognition, a provision for impairment is recognized for receivables if their fair value is lower than their carrying amount.

In accordance with French GAAP, any exchange differences are recognized in consolidated net income.

4.5 Debt Issuance Costs

Debt issuance costs were recognized on an issue of high-yield notes in 2019.

At December 31, 2020, the unamortized amount of these debt issuance costs was €8.6 million.

4.6 Restoration Provisions for Assets Used Under Operating Leases

These provisions are recorded to cover the costs habitually required in order to restore equipment used under operating leases when it is returned to the lessors at the end of the lease.

The restoration costs are determined based on statistical data that is updated annually, and the provision is recognized over the life of the lease.

Following the acquisition of MC loc SAS, a provision for rehabilitation of the surrounding area amounting to €0.25 million was booked at December 31, 2020.

4.7 Untaxed Provisions

In accordance with French GAAP, untaxed provisions are recognized in equity in an amount net of deferred taxes.

4.8 Retirement Benefit Obligations

In accordance with French GAAP, retirement benefit obligations are recorded as a provision in the consolidated financial statements.

The projected benefit obligation is measured by an independent actuary. It is calculated using the projected unit credit method, which sees each period of service as giving rise to an additional unit of benefit entitlement.

The benefit obligations are determined based on salaries, payroll tax rates, estimated retirement ages, and the probability that the employees concerned will still be with the Group at their retirement date. The Group applies a 2% rate for future salary increases and uses the INSEE 2012-2016 mortality table. Staff turnover rates are calculated by age bracket. The probability of employees leaving the Group before retirement varies, and can be up to 24.3% for certain employees aged between 20 and 24. At December 31, 2020, the term of the benefit obligation was 11 years and 7 months. The legal retirement age is 65 for managerial-grade employees (*cadres*) and 62 for other employees. The discount rate used is 0.46% (2019: 0.80%).

4.9 Financial Instruments

In order to manage its interest rate risk, the Group holds a portfolio of derivative financial instruments consisting of interest rate swaps.

These instruments are contracted over the counter with leading counterparties.

The instruments are recorded within off-balance sheet commitments when they are contracted.

Transactions that had not been unwound at the end of the reporting period are marked to market using generally accepted valuation models and techniques and based on value assumptions supplied by market analysis firms or banks.

The Group analyses the characteristics of financial instruments contracted in relation to its interest rate exposure and classifies certain instruments as hedges for accounting purposes.

Unrealized gains and losses arising on instruments classified as hedges are deferred and taken to income once the hedged transaction takes place.

A provision for risks arising on financial instruments is recognized in the income statement (within financial income and expenses) for unrealized losses on instruments not qualifying for hedge accounting. Unrealized gains on non-qualifying instruments are not recognized.

4.10 Deferred Taxes

Deferred taxes are recognized using the liability method, taking into account:

- All temporary differences (arising both in the individual financial statements and directly in the consolidated financial statements) between the carrying amount of an asset or liability and its tax base.
- Tax losses, when their utilization is considered highly probable.
- Taxes related to restatements, adjustments and eliminations made on consolidation.

The income tax rates used for calculating deferred taxes are 25.82% for the French companies, 19% for the Polish companies, 25% for the Spanish subsidiaries, 27% for the Italian companies, and 25% for the German entities.

4.11 Earnings Per Share

In accordance with the method recommended in Opinion 27 issued by the French Institute of Chartered Accountants (OEC), earnings per share are calculated by dividing net income for the period attributable to owners of the parent by the number of Kapla Holding SAS shares in issue.

For the year ended December 31, 2020, earnings per share were a negative €0.08.

5 Scope of Consolidation

At December 31, 2020, the Kapla Holding Group comprised the following consolidated companies:

Company	Country	Number of shares held	% control	Consolidation method	Registered office	SIREN business registration no.
KAPLA HOLDING	**France**	**509,808,254**	**100.00%**	**Parent**	**30 bis rue Saint-Hélène, 69002 Lyon**	**833 372 774**
KILOUTOU	France	4,176,622	100.00%	FC	1 rue des Précurseurs−59664 Villeneuve d'Ascq	317 686 061
100 RN 10 COIGNIERES	France	9,999	100.00%	FC	1 rue des Précurseurs−59664 Villeneuve d'Ascq	401 667 043
KILOUTOU IMMOBILIER	France	2,530	100.00%	FC	1 rue des Précurseurs−59664 Villeneuve d'Ascq	381 959 394
KILOUTOU MODULE	France	22,729	100.00%	FC	1 rue des Précurseurs−59664 Villeneuve d'Ascq	453 700 106
LOCAMODUL	France	6,500	100.00%	FC	1 rue des Précurseurs−59664 Villeneuve d'Ascq	525 030 565
SAMLLOC MODULAIRE	France	1,000	100.00%	FC	1 rue des Précurseurs−59664 Villeneuve d'Ascq	833 654 361
MC LOC	France	499,608	100.00%	IG	1 rue des Précurseurs−59664 Villeneuve d'Ascq	752 356 774
LOCA RECEPTION	France	1,000	100.00%	FC	1 rue des Précurseurs−59664 Villeneuve d'Ascq	493 440 416
KILOUTOU ENERGIE	France	11,174	100.00%	FC	20 bis René Bars−40250 Mugron	301 351 029
KILOUTOU SIGNALISATION	France	50,000	100.00%	FC	1 rue des Précurseurs−59664 Villeneuve d'Ascq	301 351 029
KILOUTOU POLSKA	Poland	269,600	100.00%	FC	ul. Rokicińska 142, 92−412 Łódź	410479
KILOUTOU ESPAÑA	Spain	30,000	100.00%	FC	Carrer Pla de Matabous 3408110 Montcada i Reixac, Barcelona	A60383379
KILOUTOU GMBH	Germany	25,000	100.00%	FC	Am Knick 11, 22113 Oststeinbek	HRB 15774 HL
KILOUTOU DEUTSCHLAND	Germany	1	100.00%	FC	Am Knick 11, 22113 Oststeinbek	HRB 3496 RE
BUTSCH MEIER BADEN	Germany	2	100.00%	FC	Dr Rudolf Eberle Strasse 21, 76534 Baden-Baden	HRB 201683
M+S ARBEITSBUHNEN	Germany	25,000	100.00%	FC	Pamplonastrasse 23, 33106 Paderborn	HRB 3923
KILOUTOU MIDDEKE	Germany	25,000	100.00%	FC	Am Nordpark 1, 41069 Mönchengladbach	HRB 18770
KILOUTOU WIESECKER	Germany	25,000	100.00%	FC	Am Nordpark 1, 41069 Mönchengladbach	HRB 18771
KILOUTOU ITALIA	Italy	696,000	100.00%	FC	Via Postumia Ovest 101, 31048 San Biagio di Callalta (TV)	9975240962
COFILOC	Italy	500,000	100.00%	FC	Via Postumia Ovest 101, 31048 San Biagio di Callalta (TV)	1152330260
ELEVO	Italy	10,000	100.00%	FC	Via Nigarzola 10, 24040 Lallio (BG)	3026380166
STICAR	Italy	58,200	100.00%	FC	Corso Stati Uniti 10, 35127 Padova (PD)	642470280

6 Pro Forma Information

2020 Pro Forma Information

The 2020 consolidated financial statements include a pro forma income statement drawn up for information purposes, which presents data relating to companies acquired and consolidated by the Group in 2020 for the entire 12-month period, i.e., as if those companies had been acquired on January 1, 2020:

Consolidated Income Statement

In € millions	Year ended Dec. 31, 2020 12 months
Revenue from rentals	464.4
Revenue from services and sub-leases	193.3
TOTAL REVENUE	**657.7**
Net losses/(gains) on equipment sales/retirements	(28.9)
Maintenance costs	52.1
Ownership costs	165.9
Logistics costs	51.5
Other costs	43.1
Total equipment and logistics costs	**283.7**
GROSS PROFIT	**374.0**
Wages and paid vacation provisions	138.5
Social charges and training	49.3
Performance bonuses	9.3
Other expenses	9.2
Total labor costs	**206.3**
Advertising costs	**5.5**
Overheads	**62.0**
Rental costs	**59.2**
Net expense for doubtful receivables	**3.2**
Financial expenses	**59.0**
Other operating income and expenses, net	**(0.9)**
NET INCOME FROM ORDINARY ACTIVITIES	**(21.3)**
Amortization of fair value adjustments to intangible assets	**14.7**
NET INCOME FROM ORDINARY ACTIVITIES after amortization of fair value adjustments to intangible assets	**(36.0)**
Extraordinary income (-) and expenses (+)	**1.8**
Income Tax	**3.3**
NET INCOME (LOSS) FOR THE PERIOD BEFORE MINORITY INTERESTS	**(41.0)**
Net income for the period attributable to minority interests	0.0
NET INCOME (LOSS) FOR THE PERIOD ATTRIBUTABLE TO OWNERS OF THE PARENT	**(41.0)**
EBITDA	**205.8**
Earnings per share (€/share)	(0.08)
Diluted earnings per share (€/share)	(0.08)

7 Notes to the Balance Sheet and Income Statement

7.1 Notes to the Consolidated Balance Sheet

Companies consolidated for the first time in 2020 are included in the column entitled "Changes in scope of consolidation" in the tables below.

7.1.1 *Fixed Assets*

7.1.1.1 Goodwill

Movements in goodwill in 2020 were as follows:

	Gross value					
CGU	At Jan. 1, 2020	Changes in scope of consolidation	Decrease	Other movements	Currency effect	At Dec. 31, 2020
General rentals−France	438.5	0.0	0.0	0.0	0.0	438.5
Specialist rentals−France	31.1	12.0	0.0	0.0	0.0	43.1
Poland	36.0	0.0	0.0	0.0	(0.1)	35.9
Italy	53.1	0.0	0.0	0.0	0.0	53.1
Germany	101.6	14.1	0.0	0.0	0.0	115.7
Spain	4.5	0.0	0.0	0.0	0.0	4.5
Total	**665.0**	**26.1**	**0.0**	**0.0**	**(0.1)**	**690.9**

In 2020, newly acquired companies increased goodwill by an amount of €26.1 million (Wiesecker in Germany and Locamodul, Samlloc Modulaire and MC Loc in France).

In accordance with the French reform on the recognition and amortization of goodwill, all of the goodwill recorded by the Group has been identified as having an indefinite useful life. In addition, the impairment test carried out on the basis of the consolidated financial statements at December 31, 2020 (see section 3.3) did not give rise to the recognition of any impairment losses on the Group's intangible assets.

7.1.1.2 Intangible assets

Movements in intangible assets in 2020 were as follows:

	Gross value						
	At Jan. 1, 2020	Changes in scope of consolidation	Increase	Decrease	Other movements	Currency effect	At Dec. 31, 2020
Trademarks	340.5	0.0	0.0	0.0	0.0	0.0	340.4
Customer relationships	147.3	0.0	0.0	0.0	0.0	(0.3)	147.1
Concessions, patents & similar rights	18.6	0.1	1.2	0.0	1.2	0.0	21.0
Leasehold rights	2.3	0.0	0.0	0.0	0.0	0.0	2.3
Other intangible assets	1.4	0.1	0.1	(0.8)	(0.3)	0.0	0.5
Intangible assets in progress	1.1	0.0	2.5	(0.1)	(0.9)	0.0	2.7
Total	**511.2**	**0.2**	**3.7**	**(0.9)**	**0.0**	**(0.3)**	**513.9**

	Amortization and impairment						
	At Jan. 1, 2020	Changes in scope of consolidation	Increase	Decrease	Other movements	Currency effect	At Dec. 31, 2020
Trademarks	(0.5)	0.0	0.0	0.0	0.0	0.0	(0.4)
Customer relationships	(29.5)	0.0	(14.7)	0.0	0.0	0.0	(44.1)
Concessions, patents & similar rights	(16.1)	(0.1)	(1.7)	0.0	0.0	0.0	(17.9)
Leasehold rights	(0.5)	0.0	0.0	0.0	0.0	0.0	(0.5)
Other intangible assets	(0.7)	0.0	0.0	0.7	0.0	0.0	0.0
Intangible assets in progress	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total	**(47.3)**	**(0.1)**	**(16.4)**	**0.7**	**0.0**	**0.1**	**(63.0)**

The "Trademarks" item mainly comprises the Kiloutou brand.This asset was measured during the process of identifying the fair values of assets and liabilities when Dentressangle acquired control of the Group. Since the impairment test performed at end-December 2020 confirmed the brand's value, no impairment loss was recognized. The "Customer relationships" item includes the fair values of customer relationships identified for Kiloutou, Kiloutou Module, Kiloutou Poland, Kiloutou Germany and Kiloutou Italy. Customer relationships are amortized over a period of 10 years.

7.1.1.3 Property, plant and equipment

Movements in property, plant and equipment in 2020 were as follows:

	Gross value						
	At Jan. 1, 2020	Changes in scope of consolidation	Increase	Decrease	Other movements	Currency effect	At Dec. 31, 2020
Land and buildings	**188.6**	**0.0**	**8.1**	**(2.2)**	**0.0**	**(0.1)**	**194.4**
Rental equipment	**1,285.5**	**30.8**	**127.8**	**(102.8)**	**0.0**	**(3.6)**	**1,337.8**
Other property, plant and equipment	**70.6**	**2.9**	**8.7**	**(2.0)**	**0.0**	**(0.1)**	**80.2**
Total	**1,544.7**	**33.8**	**144.6**	**(107.0)**	**0.0**	**(3.8)**	**1,612.3**

	Depreciation and impairment						
	At Jan. 1, 2020	Changes in scope of consolidation	Increase	Decrease	Other movements	Currency effect	At Dec. 31, 2020
Land and buildings	**(102.6)**	**(0.1)**	**(8.0)**	**2.2**	**0.0**	**0.0**	**(108.5)**
Rental equipment	**(770.4)**	**(9.3)**	**(146.2)**	**97.6**	**0.0**	**1.9**	**(826.4)**
Other property, plant and equipment	**(52.0)**	**(0.6)**	**(6.6)**	**1.9**	**0.0**	**0.1**	**(57.2)**
Total	**(925.0)**	**(9.9)**	**(160.8)**	**101.7**	**0.0**	**2.0**	**(992.1)**

7.1.1.4 Financial fixed assets

This item comprises shares in non-consolidated companies as well as deposits, loans and guarantees paid.

	Gross value						
	At Jan. 1, 2020	Changes in scope of consolidation	Increase	Decrease	Other movements	Currency effect	At Dec. 31, 2020
Shares in non-consolidated companies	0.5	0.0	0.3	0.0	0.0	0.0	0.7
Investments accounted for by the equity method	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other long-term investment securities	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Loans granted	0.2	0.0	0.0	0.0	(0.1)	0.0	0.2
Accrued interest on financial receivables	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Deposits & guarantees	2.6	0.1	0.2	0.0	0.1	0.0	2.9
Total	**3.3**	**0.1**	**0.5**	**(0.1)**	**0.0**	**0.0**	**3.8**

	Amortization and impairment						
Provisions for impairment	At Jan. 1, 2020	Changes in scope of consolidation	Increase	Decrease	Other movements	Currency effect	At Dec. 31, 2020
Equity investments	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Provision for long-term investment securities	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Provisions for deposits and guarantees	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**

7.1.2 *Other Assets*

7.1.2.1 Inventories and customer advances and prepayments

Movements in inventories in 2020 were as follows:

	Gross value					
	At Jan. 1, 2020	Changes in scope of consolidation	Increase/ (Decrease)	Currency effect	Other movements	At Dec. 31, 2020
Spare parts	3.7	0.0	0.5	0.0	0.0	4.2
Goods for resale	11.5	0.2	2.6	0.0	0.0	14.4
Real estate sites	4.2	0.0	2.8	0.0	0.0	7.0
Total	**19.4**	**0.3**	**5.9**	**0.0**	**0.0**	**25.6**

	Impairment					
	At Jan. 1, 2020	Changes in scope of consolidation	Increase/ (Decrease)	Currency effect	Other movements	At Dec. 31, 2020
Prov. spare parts	(0.2)	0.0	0.0	0.0	0.0	(0.2)
Prov. goods for resale	(2.6)	0.0	(1.4)	0.0	0.0	(4.0)
Total	**(2.8)**	**0.0**	**(1.4)**	**0.0**	**0.0**	**(4.3)**

Real estate sites in inventories comprise constructions in progress to be sold in the near future.

Movements in customer advances and prepayments in 2020 were as follows:

	Gross value					
	At Jan. 1, 2020	Changes in scope of consolidation	Increase/ (Decrease)	Currency effect	Other movements	At Dec. 31, 2020
Advances and prepayments	0.6	0.0	(0.3)	0.0	0.0	0.3
Total	**0.6**	**0.0**	**(0.3)**	**0.0**	**0.0**	**0.3**

	Impairment					
	At Jan. 1, 2020	Changes in scope of consolidation	Increase/ (Decrease)	Currency effect	Other movements	At Dec. 31, 2020
Provisions for advances and prepayments	0.0	0.0	0.0	0.0	0.0	0.0
Total	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**

7.1.2.2 Trade receivables

Movements in trade receivables in 2020 were as follows:

	Gross value					
	At Jan. 1, 2020	Changes in scope of consolidation	Increase/ (Decrease)	Currency effect	Other movements	At Dec. 31, 2020
Trade receivables	184.4	3.6	(25.1)	(0.5)	0.0	162.5
Total	**184.4**	**3.6**	**(25.1)**	**(0.5)**	**0.0**	**162.5**

	Impairment					
	At Jan. 1, 2020	Changes in scope of consolidation	Increase/ (Decrease)	Currency effect	Other movements	At Dec. 31, 2020
Provisions for trade receivables	(20.9)	(0.4)	1.0	0.3	0.0	(20.0)
Total	**(20.9)**	**(0.4)**	**1.0**	**0.3**	**0.0**	**(20.0)**

All trade receivables are due within one year.

7.1.2.3 Other receivables

Movements in other receivables in 2020 were as follows:

	Net value					
	At Jan. 1, 2020	Changes in scope of consolidation	Increase/ (Decrease)	Currency effect	Other movements	At Dec. 31, 2020
Amounts due from suppliers and other operating receivables	2.8	0.0	(0.6)	0.0	0.0	2.3
Other tax and payroll receivables	6.4	9.8	(6.6)	0.0	0.0	9.5
Current tax receivables (incl. group tax relief)	13.3	0.1	(0.9)	0.0	0.0	12.5
Deferred tax assets	5.8	0.5	1.9	(0.1)	0.0	8.0
Miscellaneous receivables	0.8	0.1	0.3	0.0	0.0	1.2
Total	**29.1**	**10.5**	**(6.0)**	**(0.1)**	**0.0**	**33.5**

Apart from deferred tax assets and the CICE tax receivable, all of the Group's "Other receivables" are due within one year.

No provisions for impairment were recognized for "Other receivables" at December 31, 2020.

7.1.2.4 Cash and cash equivalents

Movements in cash and cash equivalents in 2020 were as follows:

	Net value					
	At Jan. 1, 2020	Changes in scope of consolidation	Increase/ (Decrease)	Currency effect	Other movements	At Dec 31, 2020
Marketable securities	7.0	0.0	5.0	0.0	0.0	12.0
Cash in bank and at hand	97.7	2.1	78.9	(0.4)	0.0	178.2
Short-term bank borrowings	(0.1)	0.0	0.0	0.0	0.0	(0.1)
Total	**104.6**	**2.1**	**83.9**	**(0.4)**	**0.0**	**190.1**

*Current bank overdrafts are recognized in "Short-term bank borrowings". **7.1.2.5***

Accruals and other assets

Movements in this item in 2020 were as follows:

	Net value					
	At Jan. 1, 2020	Changes in scope of consolidation	Increase/ (Decrease)	Currency effect	Other movements	At Dec 31, 2020
Prepaid expenses	6.3	0.1	(0.2)	0.0	0.1	6.4
Debt issuance costs	9.6	0.0	(0.9)	0.0	0.0	8.6
Bond redemption premiums	0.0	0.0	0.0	0.0	0.0	0.0
Other deferred charges	0.0	0.0	0.3	0.0	0.0	0.3
Unrealized exchange losses	0.0	0.0	0.0	0.0	0.0	0.0
Total	**15.9**	**0.1**	**(0.8)**	**0.0**	**0.1**	**15.3**

Prepaid expenses primarily correspond to the invoicing in **2020** of property rentals for **2021** and unamortized debt issuance costs on bonds issued in **2019** when Dentressangle acquired control of the Group.

7.1.3 Consolidated Equity

Movements in consolidated equity (attributable to owners of the parent) in 2020 were as follows:

At December 31, 2019	**5.1**	**484.9**	**18.6**	**(9.7)**	**0.2**	**499.1**
Change in share capital of the parent company	0.0	0.0	0.0	0.0	0.0	0.0
Appropriation of net income (loss)	0.0	0.0	(9.7)	9.7	0.0	0.0
Other movements	0.0	0.0	(0.4)	0.0	0.0	(0.4)
Net income (loss) for the period	0.0	0.0	0.0	(42.0)	0.0	(42.0)
Dividends paid by the parent company	0.0	0.0	0.0	0.0	0.0	0.0
Exchange differences	0.0	0.0	(1.3)	0.0	(1.4)	(2.6)
At December 31, 2020	**5.1**	**484.9**	**7.2**	**(42.0)**	**(1.1)**	**454.0**

- ***Share capital***

In 2019, ADPR C2 free shares were granted to a selected number of Group employees. In December 2020, at the end of the vesting period, a total of 864,716 ADPR C2 shares vested, resulting in an increase of €8,647.16 in the Company's share capital, from €5,098,082.54 to €5,106,729.70.

- ***Additional paid-in capital***

Additional paid-in capital represents the net amount received, either in cash or in assets, in excess of the par value on issuance of the Company's shares. Additional paid-in capital was reduced by €302 in connection with the free share grant.

7.1.4 Other Items Recorded Under Liabilities

7.1.4.1 Provisions for contingencies and charges

Movements in provisions for contingencies and charges in 2020 were as follows:

	At Jan. 1, 2020	Changes in scope of consolidation	Additions	Reversals	Currency effect	Other movements	At Dec. 31, 2020
Provisions for restoring assets used under operating leases	**2.7**	**0.3**	**0.6**	**0.0**	**0.0**	**0.0**	**3.6**
Badwill	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Deferred tax liabilities	46.9	0.0	0.0	0.0	(0.1)	(0.5)	46.3
Provisions for retirement benefit obligations	5.4	0.1	1.3	(0.4)	0.0	0.0	6.3
Provisions for contingencies arising on financial instruments	10.1	0.0	1.3	0.0	0.0	0.0	11.3
Other provisions for contingencies and charges	2.7	0.0	1.0	(0.2)	0.0	0.0	3.6
Provisions for general contingencies and charges	**65.1**	**0.1**	**3.6**	**(0.6)**	**(0.1)**	**(0.5)**	**67.6**
Total provisions for contingencies and charges	**67.8**	**0.3**	**4.2**	**(0.6)**	**(0.1)**	**(0.5)**	**71.2**

Provisions for the following had been recognized at December 31, 2020:

- Provisions for restoring assets used under operating leases relate to utility vehicles and earth-moving vehicles.
- Deferred taxes mainly stem from fair value remeasurements of customer relationships, real estate and interest rate hedges. Detailed information on the Group's deferred taxes is provided below.
- Provisions for retirement benefit obligations: the entitlements used for calculating retirement benefit obligations are set in company-level agreements. Retirement is deemed to be taken at the employee's initiative.
- The provision for contingencies arising on financial instruments for an amount of €11.3 million corresponds to unrealized losses on financial instruments which do not qualify as hedging instruments, i.e., considered to be open positions.
- Other provisions for contingencies and charges. At December 31, 2020, this item mainly comprised provisions for covering employee tribunal risks and risks related to legal, tax and real estate disputes.

7.1.4.2 Income tax

- Income tax expense

Income tax expense	Dec. 31, 2019	Dec. 31, 2020
Current taxes	(12.3)	(5.9)
Deferred taxes	1.4	2.6
Total	**(10.9)**	**(3.3)**

- Deferred taxes

Deferred taxes	Dec. 31, 2019	Dec. 31, 2020	Change
Deferred tax assets	5.8	8.0	2.2
Deferred tax liabilities	(46.9)	(46.3)	0.6
Total	**(41.1)**	**(38.4)**	**2.8**

- Tax proof

The tax proof below sets out a reconciliation between the Group's actual income tax expense and the theoretical tax expense calculated by applying the parent company's tax rate to consolidated net income for the period before tax.

	Base	Tax	Rate
Net income (loss) of fully consolidated companies	(42.0)		
Income tax recognized	3.3		
Taxable base	**(38.7)**	**(13.1)**	**33.85%**
CVAE tax paid		5.8	
Tax rate differential		(0.3)	
Permanent tax differences & impact of different tax rates		10.9	
Income tax recognized		**3.3**	

Permanent differences mainly consist of the impact of non-deductibility of financial expenses following the application of the Anti-Tax Avoidance Directive. This limit on the deductibility of financial expenses did not result in the recognition of a deferred tax asset as the recoverability timeline was deemed too long.

For the French tax entities, the Group recognized tax loss carryforwards for an amount of €3.6 million based on the business outlook.

Based on projections, these loss carryforwards should be used in the medium term.

Deferred taxes can be analyzed as follows by category:

Company	Temporary differences	Adjustments and eliminations	Fair value adjustments	Deferred tax assets recognized for tax losses	Total
KAPLA HOLDING	0.0	0.6	0.0	3.6	4.2
KILOUTOU SAS	0.7	(9.7)	(26.6)	0.0	(35.6)
KILOUTOU MODULE	(0.2)	(0.2)	(1.0)	0.0	(1.4)
LOCA RECEPTION	(0.1)	0.0	(0.3)	0.0	(0.4)
KILOUTOU ENERGIE	(0.8)	0.0	(0.7)	0.0	(1.5)
COFILOC	0.0	0.0	(0.7)	0.0	(0.7)
ELEVO	0.0	(0.4)	0.0	0.0	(0.4)
STICAR	0.1	(0.2)	0.0	0.0	(0.1)
KILOUTOU GMBH	0.0	0.0	(1.6)	0.0	(1.6)
KILOUTOU POLSKA	0.0	0.0	(0.5)	0.0	(0.6)
KILOUTOU ESPANA	0.0	0.0	(0.2)	0.0	(0.2)
Total	**(0.4)**	**(9.9)**	**(31.7)**	**3.6**	**(38.4)**

7.1.4.3 Bonds, borrowings from financial institutions and other borrowings

Movements in these items in 2020 were as follows:

	At Jan. 1, 2020	Changes in scope of consolidation and other movements	Increase	Decrease	Change in accrued interest	Currency effect	At Dec. 31, 2020
Convertible bonds	165.0	0.0	0.0	0.0	0.0	0.0	165.0
Accrued interest on convertible bonds	29.2	0.0	0.0	0.0	17.7	0.0	46.9
Other bonds	861.5	0.0	0.0	0.0	(0.2)	0.0	861.3
Bonds	**1,055.7**	**0.0**	**0.0**	**0.0**	**17.5**	**0.0**	**1,073.2**
Bank borrowings	40.5	4.3	245.0	(134.6)	0.3	0.0	156.1
Finance leases for equipment	242.8	4.2	82.3	(77.0)	0.0	0.0	252.2
Finance leases for real estate	0.3	0.0	0.0	(0.1)	0.0	0.0	0.2
Short-term bank borrowings	0.1	0.0	0.0	0.0	0.0	0.0	0.1
Borrowings from financial institutions	**283.7**	**8.5**	**327.3**	**(211.8)**	**0.3**	**0.0**	**408.6**
Finance leases−residual value	**11.9**	**0.0**	**0.0**	**(0.7)**	**0.0**	**0.0**	**11.2**
Employee profit sharing	1.0	0.0	0.0	0.0	0.0	0.0	1.0
Other	0.1	0.0	0.0	0.0	0.0	0.0	0.1
Other borrowings other than from financial institutions	**1.1**	**0.0**	**0.0**	**(0.1)**	**0.0**	**0.0**	**1.0**
Total	**1,352.4**	**8.5**	**327.3**	**(212.5)**	**17.7**	**0.0**	**1,494.1**

A €125 million State-guaranteed loan was secured in July 2020. We consider this loan to be due for payment at the initial due date of July 2021.

The table below provides a maturity schedule of the Group's debt.

	Balance at Dec. 31, 2020	Due within 1 year	Due between 1 and 5 years	Due beyond 5 years
Convertible bonds	211.9	0.0	0.0	211.9
Other bonds	861.3	1.3	0.0	860.0
Bonds	**1,073.2**	**1.3**	**0.0**	**1,071.9**
Other borrowings & financial liabilities	156.1	139.2	16.9	0.0
Finance leases for equipment	252.2	86.8	165.4	0.0
Finance leases for real estate	0.2	0.1	0.1	0.0
Short-term bank borrowings	0.1	0.1	0.0	0.0
Borrowings from financial institutions	**408.6**	**226.2**	**182.4**	**0.0**
Finance leases−residual value	**11.2**	**1.2**	**10.0**	**0.0**
Employee profit sharing	1.0	0.3	0.7	0.0
Other	0.1	0.1	0.0	0.0
Other borrowings other than from financial institutions	**1.0**	**0.4**	**0.7**	**0.0**
Total	**1,494.1**	**229.0**	**193.1**	**1,072.0**

Movements in net debt break down as follows:

Movements in debt in € millions	FY 2020	FY 2019
NET DEBT at beginning of period	**(1,052.4)**	**(967.8)**
EBITDA	**201.6**	**243.8**
Change in working capital (excl. changes in deferred taxes)	**(3.0)**	**(21.0)**
Extraordinary expenses paid	**(1.8)**	**(2.8)**
Financial expenses paid	**(36.1)**	**(49.2)**
Income tax & CICE tax paid	**0.4**	**(0.9)**
CVAE tax paid	**(5.8)**	**(6.8)**
Net book value of fixed assets and disposals of real estate assets	**5.2**	**4.5**
NET CASH GENERATED FROM OPERATING ACTIVITIES (A)	**160.6**	**167.6**
CAPEX	**(148.3)**	**(211.1)**
Change in amounts due to suppliers of fixed assets	**1.3**	**(0.3)**
Cash flows from financial fixed assets	**(0.1)**	**(0.2)**
Net proceeds from disposals of fixed assets	**0.9**	**0.1**
NET CASH USED IN INVESTING ACTIVITIES (B) Excluding changes in scope	**(146.3)**	**(211.5)**
Acquisition of shares in consolidated companies	**(44.6)**	**(20.2)**
Impact of newly consolidated companies on net debt	**(7.1)**	**(19.9)**
Accrued interest	**0.0**	**(0.5)**
Other impacts	**(1.1)**	**(0.2)**
NET DEBT at end of period	**(1,090.9)**	**(1,052.4)**

Net debt at end of period in € millions	FY 2020	FY 2019
o/w other bonds	**861.3**	**861.5**
o/w bank borrowings	**156.1**	**40.5**
o/w finance leases for equipment	**252.2**	**242.8**
o/w finance leases for real estate	**0.2**	**0.3**
Finance leases−residual value	**11.2**	**11.9**
Gross borrowings	**1,281.0**	**1,157.0**
Marketable securities	**12.0**	**7.0**
Cash in bank and at hand	**178.2**	**97.7**
o/w short-term bank borrowings	**0.1**	**0.1**
Net cash and cash equivalents	**190.1**	**104.6**
Net debt	**1,090.9**	**1,052.4**

7.1.4.4 Other items recorded under liabilities

Movements in these items in 2020 were as follows:

	At Jan. 1, 2020	Changes in scope of consolidation	Increase/ (Decrease)	Currency effect	Other movements	At Dec. 31, 2020
Trade payables due to general suppliers	71.8	1.4	(8.6)	(0.1)	0.0	64.4
Due to suppliers of fixed assets	2.8	0.0	1.3	0.0	0.0	4.1
Trade payables	**74.6**	**1.4**	**(7.3)**	**(0.1)**	**0.0**	**68.6**
Other tax liabilities	69.5	1.3	(6.8)	(0.1)	0.0	64.0
Corporate income tax & tax consolidation payables	2.3	0.0	(0.3)	0.0	0.0	2.1
Tax and payroll liabilities	**71.8**	**1.4**	**(7.0)**	**(0.1)**	**0.0**	**66.1**
Amounts owed to customers & other operating payables	0.5	0.0	0.2	0.0	0.0	0.7
Other payables	**12.5**	**0.1**	**(1.9)**	**0.0**	**0.0**	**10.6**
Total	**158.9**	**2.8**	**(16.3)**	**(0.1)**	**0.0**	**145.3**

All of these payables are due within one year.

7.1.4.5 Accruals and other liabilities Movements in this item in 2020 were as follows:

	At Jan. 1, 2020	Changes in scope of consolidation	Increase/ (Decrease)	Currency effect	Other movements	At Dec. 31, 2020
Deferred income	4.0	0.0	0.0	0.0	0.0	4.3
Unrealized exchange gains	0.0	0.0	0.0	0.0	0.0	0.0
Total	**4.0**	**0.0**	**0.0**	**0.0**	**0.0**	**4.3**

Deferred income mainly corresponds to invoices issued in advance for equipment rentals, representing an aggregate amount of €4.3 million.

7.1.5 Financial Instruments

Transactions in 2019:

New refinancing arrangements were made in 2019 with the following consequences:

- Certain swaps that had previously been classified as hedges of borrowings and debt continued to be eligible for hedge accounting. At the date of the refinancing, these swaps had a negative fair value of around€15 million. Since these swaps are used to manage the Group's interest rate risk, the historical hedging relationship was carried over to the new financing arrangements; the terms and conditions of these swaps were also slightly adjusted, notably in terms of maturity and the benchmark interest rate, in order to bring them into line with those of the new borrowings. Consequently, the unrealized loss at the transaction date is not reflected in the financial statements and is taken to income as and when the coupons on the instruments fall due.
- Since the date of the refinancing, the other instruments in the historical derivatives portfolio are considered to represent isolated open (i.e., speculative) positions. Accordingly, a provision for risks arising on financial instruments is set aside. Changes in the provision are booked in the income statement in finance costs.
- Instruments known as "issue swaps" were contracted at the time of the refinancing in order to mitigate the impact of the isolated open positions mentioned above. However, based on an analysis of the terms and conditions of these issue swaps, they cannot be matched for accounting purposes to instruments representing isolated open positions. At the end of the reporting period, a provision for risks was therefore recognized for unrealized losses on these issue swaps. Changes in the provision are booked in the income statement in finance costs.

Transactions in 2020:

The Group added to its portfolio of interest rate hedging instruments.

The Group also contracted more specific hedges to hedge against fluctuations in fuel prices. These instruments qualify for hedge accounting.

Details of the various instruments along with their terms and conditions are shown in the table in the following section:

	Classification	Instrument	Rate	Benchmark	Nominal amount	Start date	Expiration date	
Floating-rate lender/ fixed-rate borrower Swap	Hedging transaction	SWAP	0.650%	EUR3M	50,000,000 €	06/15/23	06/15/24	
	Hedging transaction	SWAP	0.000%	EUR3M	50,000,000 €	03/15/21	03/15/25	
	Hedging transaction	SWAP	(0.500)%	EUR3M	100,000,000 €	03/16/20	03/15/21	
	Hedging transaction	SWAP	0.484%	EUR3M	50,000,000 €	06/15/23	06/15/24	
	Hedging transaction	SWAP	0.820%	EUR3M	50,000,000 €	06/15/20	06/15/23	
	Hedging transaction	SWAP	0.758%	EUR3M	50,000,000 €	06/15/20	06/15/23	
	Hedging transaction	SWAP	(0.002)%	EUR3M	50,000,000 €	06/15/23	03/15/25	
	Hedging transaction	SWAP	0.840%	EUR3M	150,000,000 €	06/15/20	06/15/23	
	Hedging transaction	SWAP	(0.266)%	EUR3M	50,000,000 €	12/15/23	03/15/25	
	Hedging transaction	SWAP	(0.152)%	EUR3M	50,000,000 €	06/15/24	06/15/25	
	Hedging transaction	SWAP	(0.256)%	EUR3M	100,000,000 €	03/15/25	09/15/29	
	Hedging transaction	SWAP	(0.092)%	EUR3M	50,000,000 €	06/15/20	06/15/23	
	Hedging transaction	SWAP	(0.015)%	EUR3M	50,000,000 €	03/15/21	03/15/25	
	Hedging transaction	SWAP	(0.070)%	EUR3M	50,000,000 €	12/15/23	12/15/24	
	Hedging transaction	SWAP	(0.039)%	EUR3M	100,000,000 €	15/062024	06/15/26	
	Hedging transaction	SWAP	0.598%	EUR3M	50,000,000 €	06/15/23	06/15/24	
	Hedging transaction	SWAP	0.300%	EUR3M	50,000,000 €	09/21/20	09/15/26	
	MTM on Floating-rate lender/Fixed rate borrower swap qualified for hedge accounting (in millions €)							**-14.6**
Floating-rate lender/ fixed-rate borrower Swap	Swap with isolated open position	SWAP	0.415%	EUR6M	50,000,000 €	06/15/22	06/15/24	
	Swap with isolated open position	SWAP	0.364%	EUR6M	50,000,000 €	06/15/22	06/15/23	
	Swap with isolated open position	SWAP	0.284%	EUR6M	50,000,000 €	12/15/19	06/15/22	
	Swap with isolated open position	SWAP	0.380%	EUR6M	50,000,000 €	12/15/19	06/15/22	
	Swap with isolated open position	SWAP	0.522%	EUR6M	50,000,000 €	06/15/22	06/15/23	
	Swap with isolated open position	SWAP	0.457%	EUR6M	50,000,000 €	12/15/19	06/15/22	
	Swap with isolated open position	SWAP	(0.236)%	EUR6M	50,000,000 €	06/15/23	12/15/24	
	Swap with isolated open position	SWAP	0.410%	EUR6M	80,000,000 €	06/15/22	12/15/24	
	Swap with isolated open position	SWAP	0.344%	EUR6M	50,000,000 €	06/15/23	06/15/24	
	Swap with isolated open position	SWAP	0.308%	EUR6M	180,000,000 €	12/15/19	06/15/22	
	Swap with isolated open position	SWAP	(0.243)%	EUR6M	50,000,000 €	06/15/22	12/15/24	
	Swap with isolated open position	SWAP	(0.015)%	EUR6M	50,000,000 €	12/15/19	12/15/23	
	Swap with isolated open position	SWAP	0.210%	EUR6M	50,000,000 €	06/15/22	12/15/24	
	Swap with isolated open position	SWAP	(0.028)%	EUR6M	50,000,000 €	12/15/23	12/15/24	
	MTM on Floating-rate lender/Fixed rate borrower swap not qualified for hedge accounting (in millions €)							**-11.3**
Fixed-rate lender/ floating-rate borrower swap	Swap with isolated open position	SWAP	(0.233)%	EUR6M	60,000,000 €	12/16/19	12/15/24	
	Swap with isolated open position	SWAP	(0.213)%	EUR6M	100,000,000 €	12/15/19	12/15/24	
	Swap with isolated open position	SWAP	(0.230)%	EUR6M	60,000,000 €	12/15/19	12/15/24	
	Swap with isolated open position	SWAP	(0.220)%	EUR6M	100,000,000 €	12/16/19	12/15/24	
	Swap with isolated open position	SWAP	(0.230)%	EUR6M	60,000,000 €	12/15/19	12/15/24	
	MTM on Fixed-rate lender/Floating rate borrower swap not qualified for hedge accounting (in millions €)							**4.0**
Hedging on gas-oil	Hedging transaction		318.950%			01/01/21	12/31/21	
	Hedging transaction		300.000%			01/01/21	12/31/21	
	MTM on hedging on gas-oil (in millions €)							**0.1**

Losses on financial instruments not qualified for hedge accounting are booked as provision for an amount of€11.3 million

7.1.6 Off Balance-Sheet Commitments

- **Guarantees given**

PLEDGE OF FINANCIAL SECURITIES

Date set up	Issuing company	Securities pledged	Beneficiaries	Secured obligations	Sureties
12/12/2019	Kapla Holding	4,176,622 Kiloutou ordinary shares	Secured Parties (as defined in the pledge agreement)	Senior Financing Documentation (as defined in the pledge agreement)	Pledge of a share account containing all of the Kiloutou shares held by the issuing company
12/12/2019	Kiloutou	22,729 Kiloutou Module ordinary shares	Secured Parties	Senior Financing Documentation	Pledge of a share account containing all of the Kiloutou Module shares held by the issuing company

PLEDGE OF BANK ACCOUNTS

Date set up	Issuing company	Beneficiaries	Secured obligations		Sureties
12/12/2019	Kapla Holding	Secured Parties	Senior Financing Documentation	BNPP	FR 76XXX
				SG	FR 76XXX
				CIC NO	*FR 76XXX*
				CAIDF	FR 76XXX
				LCL	FR 50XXX
				Natixis	FR 76XXX
12/12/2019	Kiloutou	Secured Parties	Senior Financing Documentation	*CANDF*	FR 76XXX
				SG	FR 76XXX
				BNPP	FR 76XXX
				LCL	FR 70XXX
				CIC NO	FR 76XXXX
				BECM	FR 76XXX
				CAIDF	FR 76XXXX
				Banque Postale	FR 03XXX
				CDN	FR 76XXXX
				CE HDF	FR 76XXXX
				Natixis	*FR 76XXXX*
				CA Brie Picardie	FR 76XXXX
				BCMNE	FR 76XXXX
12/12/2019	Kiloutou Module	Secured Parties	Senior Financing Documentation	CDN	FR 76XXXX
				CANDF	*FR 76XXXX*

PLEDGE OF RECEIVABLES

Date set up/modified	Issuing company	Beneficiaries	Secured obligations	Receivables pledged	Current amount
12/12/2019	Kapla Holding	Secured Parties	Senior Financing Documentation	Current and future receivables (including shareholder current accounts but excluding receivables relating to the cash pooling agreement) owed by Kiloutou	€471,900,000
12/30/2019	Kiloutou	Secured Parties	Senior Financing Documentation	Current and future receivables (including shareholder current accounts but excluding receivables relating to the cash pooling agreement) owed by Kiloutou GmbH	€68,114,374.16

PLEDGE OF RECEIVABLES

Date set up/modified	Issuing company	Beneficiaries	Secured obligations	Receivables pledged	Current amount
12/04/2020	Kiloutou	Secured Parties	Senior Financing Documentation	Current and future receivables (including shareholder current accounts but excluding receivables relating to the cash pooling agreement) owed by M+S Arbeitsbühnen GmbH	€390,000
12/30/2019	Kiloutou	Secured Parties	Senior Financing Documentation	Current and future receivables (including shareholder current accounts but excluding receivables relating to the cash pooling agreement) owed by Kiloutou Bridge GmbH	€10,400,000
12/30/2019	Kiloutou	Secured Parties	Senior Financing Documentation	Current and future receivables (including shareholder current accounts but excluding receivables relating to the cash pooling agreement) owed by Kiloutou Italia S.r.l.	€11,500,000
12/30/2019	Kiloutou	Secured Parties	Senior Financing Documentation	Current and future receivables (including shareholder current accounts but excluding receivables relating to the cash pooling agreement) owed by Kiloutou Polska Sp. z.o.o.	€14,500,000
04/16/2020	Kiloutou	Secured Parties	Senior Financing Documentation	Current and future receivables (including shareholder current accounts but excluding receivables relating to the cash pooling agreement) owed by Kiloutou Module SAS	€16,270,000
12/18/2020	Kiloutou	Secured Parties	Senior Financing Documentation	Current and future receivables (including shareholder current accounts but excluding receivables relating to the cash pooling agreement) owed by Kiloutou Module SAS	€5,630,493
06/26/2020	Kiloutou	Secured Parties	Senior Financing Documentation	Current and future receivables (including shareholder current accounts but excluding receivables relating to the cash pooling agreement) owed by Kiloutou Module SAS	€29,200,000

PLEDGE OF BUSINESS BASE

Date set up	Issuing company	Beneficiaries	Secured obligations	Sureties	Amount guaranteed
05/21/2019	Locamodul	Banque Populaire	Standard equipment loan (No. 16455)	Fifth-rank pledge of a business base comprising the sale and rental of bungalows, storage containers and portable restrooms located in Alby sur Chéran	€292,290
11/02/2018	Locamodul	BNPP	Amortizable EIB TF loan (No.16449)	Pledge of a business base comprising the sale and rental of bungalows, storage containers and portable restrooms located in Alby sur Chéran	€164.000
07/12/2018	Locamodul	BNPP	Amortizable EIB TF loan (No.16448)	Pledge of a business base comprising the sale and rental of bungalows, storage containers and portable restrooms located in Alby sur Chéran	€400,000
07/19/2018	Locamodul	BNPP	Amortizable EIB TF loan (No.16446)	Pledge of a business base comprising the sale and rental of bungalows, storage containers and portable restrooms located in Alby sur Chéran	€270,000
01/26/2015	Locamodul	Banque Populaire and BNPP	Standard equipment loan (No. 16422/23)	Pledge of a business base comprising the sale and rental of bungalows, storage containers and portable restrooms located in Alby sur Chéran	€258,000
02/07/2015	Locamodul	BNPP	Amortizable EIB TF loan (No.16425)	Pledge of a business base comprising the sale and rental of bungalows, storage containers and portable restrooms located in Alby sur Chéran	€92,800

SURETIES, ENDORSEMENTS OTHER GUARANTEES OR COMMITMENTS

Date set up	Issuing company	Beneficiaries	Secured obligations	Sureties	Amount
12/17/2018	Kapla Holding	La Banque Postale	Overdraft agreement for an indefinite term	Letter of intent (Article 2322 of the French Civil Code), pursuant to which the issuing company agrees to do all that is necessary to ensure Kiloutou can meet the undertakings made with regard to the beneficiary	€2,500,000
12/18/2020	Kiloutou Module	Starlease	Leasing contracts entered into by MC LOC	Sureties provided by MC LOC for certain leasing contracts	€2,589,338
12/18/2020	Kiloutou Module	BPCE	Leasing contracts entered into by MC LOC	Sureties provided by MC LOC for certain leasing contracts	€5,325,045
12/18/2020	Kiloutou Module	Lixxbail	Leasing contracts entered into by MC LOC	Sureties provided by MC LOC for certain leasing contracts	€1,304,883
12/18/2020	MC LOC	Martin Calais	N/A	Non-exclusive agreement to purchase modular buildings from Martin Calais for a minimum annual amount of €500,000 for a five-year period beginning in 2021	€500,000

- **Leases**

Future minimum lease payments are shown below:

	Amount outstanding at Dec. 31, 2020	Due within 1 year	Due between 1 and 5 years	Due beyond 5 years
Outstanding lease payments	138.0	45.6	73.3 The	19.1

payments are due under leases of equipment and of premises used in Kiloutou's operations.

- **Financial Instruments**

Details of financial instruments are disclosed in Note **7.1.5 Financial instruments**.

7.2 Notes to the Consolidated Income Statement

The consolidated income statement is presented by destination and reflects the characteristics of the Group's activities

7.2.1 *Payroll Costs*

The Group's headcount in 2020 was as follows:

Period	Average FTE	Headcount at period end
2020	4,452	5,546

7.2.2 *Research and Development Costs*

Not applicable.

7.2.3 *Depreciation, Amortization, Impairment and Other Provisions*

Net additions to depreciation, amortization and provisions for impairment of fixed assets

	FY 2019	FY 2020
−Operating equipment	3.5	4.4
−Rental equipment	133.7	145.8
−Other	10.6	12.2
Total	**147.8**	**162.5**

Net additions to provisions for impairment of current assets and for contingencies and charges

	FY 2019	FY 2020
−Recorded in operating expenses	**3.7**	**2.2**
o/w provisions for restoration costs (excl. from EBITDA)	0.7	0.6
o/w provisions for impairment of trade receivables	2.6	(1.0)
o/w provisions for impairment of inventories	0.2	1.4
o/w provision for retirement benefit obligations (excl. from EBITDA)	0.5	0.9
o/w provisions for stock options	0.0	0.0
o/w other provisions	(0.2)	0.2
−Recorded in financial expenses	**10.1**	**1.3**
−Recorded in extraordinary expenses (income tax provision and other)	**0.0**	**0.0**
Total	**13.8**	**3.5**

The amount shown in the statement of cash flows for depreciation, amortization and provisions corresponds to (i) €162.5 million in depreciation and amortization plus (ii) additions to provisions eliminated for the purposes of calculating EBITDA, equaling €0.6 million and €0.9 million respectively, making a total of€164.0 million.

7.2.4 *Net Financial Income*

As the consolidated income statement is presented based on cost accounting principles, financial items have been allocated to the following lines:

	FY 2019 12 months	FY 2020 12 months
−Equipment costs	6.0	5.9
−Rental costs	0.0	0.0
−Other financial expenses	70.1	53.9
Total	**76.1**	**59.8**

In 2019, financial expense was impacted by the costs of setting up new refinancing arrangements for a total amount of approximately €19 million.

7.2.5 *Other Income from Ordinary Activities, Excluding the Rental Business*

In the year ended December 31, 2020, income from ordinary activities other than the rental business was recorded under "Other operating income and expenses, net" within "Net income from ordinary activities".

Income and expenses arising on sales of rental equipment are directly recorded under gross profit in view of their recurring nature.

7.2.6 *Extraordinary Income and Expenses*

Difference between extraordinary income and income from ordinary activities:

Income from ordinary activities relates to income earned in the ordinary course of business, as well as incidental income or income earned on operations linked to the core business.

Extraordinary income relates to income arising on unusual events or transactions outside the scope of ordinary activities that are not expected to recur on a regular basis.

Extraordinary items recognized in the income statement are as follows:

Extraordinary Income and Expenses	FY 2019	FY 2020
−Social tax	1.4	
−Fees on discontinued projects	1.3	1.6
−Other	0.1	0.2
Total	**2.8**	**1.8**

8 Other Information

8.1 Segment Reporting

8.1.1 Sales by Nature

	FY 2019	%	FY 2020	%
REVENUE FROM RENTALS	520.6	70.6%	456.9	70.7%
REVENUE FROM SUB-RENTALS	19.7	2.7%	14.5	2.3%
REVENUE FROM EQUIPMENT BREAKDOWN WARRANTIES	33.5	4.5%	30.5	4.7%
SALES OF CONSUMABLES	58.0	7.9%	49.4	7.7%
TRANSPORT AND DELIVERIES	82.0	11.1%	73.8	11.4%
CLEANING AND REPAIRS	22.4	3.0%	20.8	3.2%
OTHER SERVICES AND MISCELLANEOUS REBATES	(0.2)	(0.0)	(1.6)	(0.0)
REVENUE FROM TRAINING	3.3	0.4%	1.7	0.3%
Total	**737.3**	**100.0%**	**646.1**	**100.0%**

The Group's main business activity is equipment rentals and sales of related services. ***8.1.2***

Sales by Geographic Region

Sales contributions by country	FY 2019	%	FY 2020	%
General rentals−France	578.3	78.4%	479.2	74.2%
Specialist rentals−France	42.0	5.7%	44.6	6.9%
Poland	24.3	3.3%	20.8	3.2%
Germany	31.0	4.2%	37.5	5.8%
Italy	40.7	5.5%	46.7	7.2%
Spain	21.1	2.9%	17.4	2.7%
Total	**737.3**	**100.0%**	**646.1**	**100.0%**

EBITDA contributions by country	FY 2019	%	FY 2020	%
General rentals−France	183.1	24.8%	142.5	22.1%
Specialist rentals−France	13.8	1.9%	14.1	2.2%
Poland	8.7	1.2%	6.8	1.0%
Germany	11.1	1.5%	12.5	1.9%
Italy	20.7	2.8%	21.7	3.4%
Spain	6.4	0.9%	3.9	0.6%
Total	**243.8**	**100.0%**	**201.6**	**100.0%**

8.2 Other Disclosures

Subsequent events None.

Transactions with related parties

The Group's related parties correspond to shareholders (both individuals and legal entities) and holders of convertible bonds.

	Shareholder current accounts	Convertible bonds	Accrued interest on convertible bonds	Trade payables	Interest on convertible bonds	Management fees
	Balance sheet	Balance sheet	Balance sheet	Balance sheet	Income statement	Income statement
Related party transactions . . .	0.0	165.0	46.9	0.0	17.7	0.1

Executive compensation

This information is not disclosed as it would result in the disclosure of an individual amount.

Covenants linked to the new high-yield bond financing

The new bond financing set up on December 12, 2019 requires the Group to comply with several bank covenants. These covenants are mainly designed to set a framework for any new borrowings or one-off payments outside the scope of the Group's ordinary, recurring activities.

The Group complied with all of these covenants at December 31, 2020.

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