

**JML Finance (Luxembourg) S.à r.l.**

*(a limited liability company (Société à responsabilité limitée) incorporated under the laws of the Grand Duchy of Luxembourg, having its registered office at 6 rue Dicks, L-1417 Luxembourg, Grand Duchy of Luxembourg and registered with the Luxembourg trade and companies register (Registre de commerce et des sociétés, Luxembourg) under number B232847)*

as Issuer

**EUR 300,000,000  
Guaranteed Debt Issuance Programme**

**for issuance of secured Notes**

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Under the EUR 300,000,000 Guaranteed Debt Issuance Programme described in this Offering Circular (the “**Programme**”), JML Finance (Luxembourg) S.à r.l. (the “**Issuer**”) may from time to time issue secured notes (the “**Notes**”) denominated in any currency agreed between the Issuer and the relevant Dealer (as defined below) subject to compliance with all applicable legal and/or regulatory and/or central bank requirements. The Notes will be guaranteed by Julius Meinl Living PLC, a public limited liability company registered under the laws of Malta with company registration number C76799, and Julius Meinl Living Holdings Limited, a private limited liability company registered under the laws of Malta with company registration number C76910 (each a “**Guarantor**” and together, the “**Guarantors**”).

The maximum aggregate principal amount of all Notes from time to time outstanding under the Programme will not exceed EUR 300,000,000 (or its equivalent in other currencies calculated as described in the Programme Agreement described herein), subject to any increase as described herein.

Notes will be issued in Series and each Series will be subject to, and have the benefit of, (i) a first ranking Luxembourg law governed pledge over amounts standing to the credit of the relevant Interest Reserve Account (as defined below); (ii) a first ranking Luxembourg law governed pledge over amounts standing to the credit of the Operating Bank Account (as defined below); and (iii) a first priority English law governed assignment of the Issuer’s rights under the Intercompany Loans (as defined below) granted out of the proceeds of the issuance of a Series of Notes.

Pursuant to the Trust Deed, proceeds from the enforcement of the Security Interests created pursuant to (i) above will be shared *pro rata* among the Secured Parties in respect of that specific Series only and proceeds from the enforcement of the Security Interests created pursuant to (ii) and (iii) above will be shared *pro rata* among the Secured Parties in respect of all outstanding Series of Notes under the Programme.

**An investment in the Notes issued under the Programme involves high degree of risks, including but not limited to the risk that the Programme Security (as defined below) is shared across all Series of Notes outstanding under the Programme, the ability of the holders of Notes to recover under the Programme Security and to control the enforcement of the Programme Security may be limited. For a discussion of these risks see “Risk Factors”.**

The Notes may be issued on a continuing basis to one or more of the Dealers specified under “**Description of the Programme**” and any additional Dealer appointed under the Programme from time to time by the Issuer (each a “**Dealer**” and together the “**Dealers**”), which appointment may be for a specific issue or on an ongoing basis. References in this Offering Circular to the relevant Dealer shall, in the case of an issue of Notes being (or intended to be) subscribed by more than one Dealer, be to all Dealers agreeing to subscribe such Notes.

This Offering Circular constitutes a prospectus for purposes of Part IV of the Luxembourg law on prospectus securities dated 16 July 2019, as amended. Application has been made to the Luxembourg Stock Exchange in its capacity as market operator of the Euro MTF (the “**Euro MTF**”) under the Luxembourg act relating to prospectuses for securities (*loi relative aux prospectus pour valeurs mobilières*) to list Notes issued under the Programme on the Euro MTF market for a period of 12 months from the date of this Offering Circular. The Luxembourg Stock Exchange’s Euro MTF is a multilateral trading facility for the purposes of Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU (“**MIFID II**”). Notice of the aggregate nominal amount of, interest (if any) payable in respect of, the issue price of, the issue date and maturity date of, and any other terms and conditions not contained herein which are applicable to each Tranche (as defined herein) of Notes will be set forth in a pricing supplement (the “**Pricing Supplement**”) which, with respect to Notes to be listed on the Euro MTF market of the Luxembourg Stock Exchange, will be delivered to the Luxembourg Stock Exchange on or before the date of issue of the Notes of such Tranche.

References in this Offering Circular to Notes being listed (and all related references) shall mean that such Notes have been admitted to trading on the Euro MTF market and have been admitted to the Official List of the Luxembourg Stock Exchange. The Luxembourg Stock Exchange's Euro MTF market is not a regulated market for the purposes of the Markets in Financial Instruments Directive (2014/65/EU).

The Programme provides that Notes may be listed on such other or further stock exchange or stock exchanges (other than in respect of an admission to trading on any market in the European Economic Area (the EEA) which has been designated as a regulated market for the purposes of Markets in Financial Instruments Directive (Directive 2014/65/EU) as may be agreed between the Issuer and the relevant Dealer. The Issuer may also issue unlisted Notes or Notes not admitted to trading on any market. The Issuer may agree with any Dealer that Notes may be issued in a form not contemplated by the Terms and Conditions of the Notes herein, in which event (in the case of Notes intended to be listed on the Luxembourg Stock Exchange) a supplementary Offering Circular, if appropriate, will be made available which will describe the effect of the agreement reached in relation to such Notes.

The Notes will be offered and sold in offshore transactions outside the United States in reliance on Regulation S (“**Regulation S**”) under the U.S. Securities Act of 1933, as amended (the “**Securities Act**”). Neither the Notes nor the Guarantees have been or will be registered under the Securities Act, or any state securities law, and may not be offered, sold or delivered within the United States or to, or for the account or benefit of, any U.S. person (as such terms are defined in Regulation S), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act.

Notes will be issued in registered form. Each Tranche of Notes will initially be represented by a global note (“**Global Note**”) or by one or more individual note certificates (“**Individual Note Certificates**”). A Global Note will be registered in the name of, and a certificate in respect of the Global Note (a “**Global Note Certificate**”) will be registered on or prior to the issue date of the relevant Tranche of Notes in the name of (i) a common safekeeper (a “**Common Safekeeper**”) (if the Global Note is intended to be held under the New Safekeeping Structure (the “**NSS**”) for the Euroclear Bank SA/NV (“**Euroclear**”) and Clearstream Banking, société anonyme (“**Clearstream, Luxembourg**”) or any other clearing system located outside the United States and its possessions, specified by the Issuer and the relevant Dealer(s) (each, an “**Alternative Clearing System**”) and each of Euroclear, Clearstream, Luxembourg, and any Alternative Clearing System being a “**Relevant Clearing System**”) or (ii) a common depositary (a “**Common Depositary**”) (if the Global Note is intended to be a classic global note) on behalf of the Relevant Clearing System. Beneficial interests in a Global Note will be exchangeable for Individual Note Certificates only in accordance with its terms.

*Arranger*

**Invest Securities**

*Dealer*

**Invest Securities**

This Offering Circular and any supplement hereto will be published in electronic form on the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)) and on the website of the Issuer ([www.juliusmeinlliving.com](http://www.juliusmeinlliving.com)). For the avoidance of doubt, the content of the aforementioned websites does not form part of this Offering Circular. This Offering Circular is valid for a period of twelve months from the date of the Offering Circular.

This Offering Circular may only be used for the purposes for which it has been published.

## IMPORTANT NOTICE

The Issuer accepts responsibility for the information contained in this Offering Circular, including the Pricing Supplement relating to each Tranche of Notes issued under the Programme and each Guarantor accepts responsibility for the information in relation to itself contained in this Offering Circular. To the best of the knowledge of the Issuer and each of the Guarantors (having taken all reasonable care to ensure that such is the case) the information contained in this Offering Circular is in accordance with the facts and does not omit anything likely to affect the import of such information. In addition, the Issuer, having made all reasonable enquiries, confirms that: (i) the Offering Circular contains all information with respect to the Issuer and the Notes that is material in the context of each Tranche of Notes issued under the Programme; (ii) the statements contained in this Offering Circular with regard to the Issuer and the Guarantors are in every material respect true and accurate and not misleading; (iii) the opinions, expectations and intentions expressed in this Offering Circular with regard to the Issuer are honestly held, have been made after considering all relevant circumstances and are based on reasonable assumptions; (iv) there are no other facts in relation to the Issuer and to each Tranche of Notes issued under the Programme the omission of which would, in the context of any Tranche of Notes issued under the Programme, make any statement in this Offering Circular misleading in any material respect and (v) all reasonable enquiries have been made by the Bank to ascertain such facts and to certify the accuracy of all said information and statements.

None of the Arranger, the Dealers and the Trustee nor any of their directors, affiliates, advisers or agents has made an independent verification of the information contained in this Offering Circular in connection with the issue or offering of any Notes and no representation or warranty, express or implied, is made by the Arranger, the Dealers, the Trustee or any of their respective directors, affiliates, advisers or agents with respect to the accuracy or completeness of such information. Nothing contained in this Offering Circular is, is to be construed as, or shall be relied upon as, a promise, warranty or representation, whether to the past or the future, by the Arranger, the Dealers, the Trustee or any of their respective directors, affiliates, advisers or agents in any respect. The contents of this Offering Circular are not, are not to be construed as, and should not be relied on as, legal, business or tax advice and each prospective investor should consult its own legal and other advisers for any such advice relevant to it.

Copies of the Pricing Supplement will be available from the registered office of the Issuer and the specified office set out below of the Paying Agent (as defined below).

Certain information under the heading “*Risk Factors*” and “*Description of the Group*” has been extracted from information provided by third-party sources, referred to therein. Where such third-party information appears in this Offering Circular, it has been cited as such. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by such third party, no facts have been omitted which would render the reproduced information inaccurate or misleading. The Issuer has relied on the accuracy of this information without independent verification.

No representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Arranger, the Trustee or the Dealers as to the accuracy or completeness of the information contained in this Offering Circular or any other information provided by the Issuer or the Guarantors in connection with the Programme. None of the Arranger or the Dealers or the Trustee accepts any liability in relation to the information contained in this Offering Circular or any other information provided by the Issuer or the Guarantors in connection with the Programme.

Subject as provided in the relevant Pricing Supplement, the only persons authorised to use this Offering Circular in connection with an offer of Notes are the persons named in the relevant Pricing Supplement as the Arranger, or the relevant Dealers as the case may be.

No person is or has been authorised by the Issuer, the Guarantors, any of the Arranger or the Dealers or the Trustee to give any information or to make any representation not contained in or not consistent with this Offering Circular or any other information supplied in connection with the Programme or the Notes and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer, any of the Arranger or the Dealers or the Trustee. Neither this Offering Circular nor any other information supplied in connection with the Programme or any Notes (i) is intended to provide the basis of any credit or other evaluation or (ii) should be considered as a recommendation by the Issuer, any of the Arranger or the Dealers or the Trustee that any recipient of this Offering Circular or any other information

supplied in connection with the Programme or any Notes should purchase any Notes. Each investor contemplating purchasing any Notes should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer and the Guarantors. Neither this Offering Circular nor any other information supplied in connection with the Programme or the issue of any Notes constitutes an offer or invitation by or on behalf of the Issuer, the Guarantors, any of the Arranger or the Dealers or the Trustee to any person to subscribe for or to purchase any Notes.

Neither the delivery of this Offering Circular nor the offering, sale or delivery of any Notes shall in any circumstances imply that the information contained herein concerning the Issuer or the Guarantors is correct at any time subsequent to the date hereof or the date upon which this Offering Circular has been most recently amended or supplemented or that there has been no adverse change, or any event reasonably likely to involve an adverse change, in the prospects or financial or trading position of the Issuer or the Guarantors since the date hereof or, if later, the date upon which this Offering Circular has been most recently amended or supplemented or that any other information supplied in connection with the Programme is correct as of any time subsequent to the date indicated in the document containing the same. The Arranger, the Dealers and the Trustee expressly do not undertake to review the financial condition or affairs of the Issuer or the Guarantors throughout the life of the Programme or to advise any investor in the Notes of any information coming to their attention.

This Offering Circular does not constitute an offer to sell or the solicitation of an offer to buy any Notes in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction. The distribution of this Offering Circular and the offer or sale of Notes may be restricted by law in certain jurisdictions. The Issuer, the Guarantors, the Arranger, the Dealers and the Trustee do not represent that this Offering Circular may be lawfully distributed, or that any Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuer, the Guarantors, the Arranger, the Dealers or the Trustee which is intended to permit a public offering of any Notes or distribution of this Offering Circular in any jurisdiction where action for that purpose is required. Accordingly, no Notes may be offered or sold, directly or indirectly, and neither this Offering Circular nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Offering Circular or any Notes may come must inform themselves about, and observe, any such restrictions on the distribution of this Offering Circular and the offering and sale of Notes. In particular, there are restrictions on the distribution of this Offering Circular and the offer or sale of Notes in the United States and the European Economic Area (including the United Kingdom), see “*Subscription and Sale*”. In particular, Notes have not been and will not be registered under the Securities Act. Subject to certain exceptions, Notes may not be offered, sold or delivered within the United States or to U.S. persons (as defined in Regulations S under the Securities Act).

None of the Arranger, the Dealers, the Issuer, the Guarantors or the Trustee makes any representation to any investor regarding the legality of its investment under any applicable laws. Any investor should be able to bear the economic risk of an investment in the Notes for an indefinite period of time.

Nothing herein should be considered to impose on the recipient of this Offering Circular any limitation on disclosure of the tax treatment or tax structure of the transactions or matters described herein and depending on the status of the investor, the Notes may be subject to U.S. tax law requirements.

In this Offering Circular, unless otherwise specified or the context otherwise requires, all references to “U.S.\$” or “dollars” are to the currency of the United States, all references to “£” and “pounds sterling” are to the currency of the United Kingdom and all references to “€”, “EUR” and “euro” are to the single currency introduced at the start of the third stage of European Economic and Monetary Union pursuant to the Treaty establishing the European Community as amended.

### **Stabilisation**

In connection with the issue of any Tranche of Notes under the Programme, the Dealer or Dealers (if any) named as Stabilising Manager(s) (the “**Stabilising Manager(s)**”) in the relevant Pricing Supplement (or persons acting on behalf of a Stabilising Manager) may over-allot 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,

stabilisation may not necessarily occur. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant Tranche of Notes is made and, if begun, may cease at any time, but it must end no later than the earlier of 30 days after the Issue Date of the relevant Tranche of Notes and 60 days after the date of the allotment of the relevant Tranche of Notes. Any such stabilisation action or over-allotment must be conducted by the relevant Stabilising Manager(s) (or person(s) action on behalf of any Stabilising Manager(s)) in accordance with all applicable laws and rules.

### **Forward-Looking Statements**

Some statements in this Offering Circular may be deemed to be forward-looking statements. Forward-looking statements include statements concerning the Guarantors' and their various subsidiaries', including the Issuer, (together, the "**Group**") plans, objectives, goals, strategies, future operations and performance and the assumptions underlying these forward-looking statements. When used in this document, the words "anticipates", "estimates", "expects", "believes", "intends", "plans", "aims", "seeks", "may", "will", "should" and any similar expressions generally identify forward-looking statements. These forward-looking statements are contained in the sections entitled "Risk Factors" and "Description of the Group" and other sections of this Offering Circular. The Group has based these forward-looking statements on the current view of its management with respect to future events and financial performance. Although the Issuer and the Guarantors believe that the expectations, estimates and projections reflected in its forward-looking statements are reasonable as of the date of this Offering Circular, if one or more of the risks or uncertainties materialise, including those which the Issuer or the Guarantors have identified in this Offering Circular, or if any of the Issuer's or the Guarantors' underlying assumptions prove to be incomplete or inaccurate, the Issuer's or the Guarantors' actual results of operation may vary from those expected, estimated or predicted.

The risks and uncertainties referred to above include:

- risk related to the Group's business, in particular the Group's ability to successfully implement its business strategy and compete in a highly competitive market;
- risk related to the Group's real estate portfolio;
- risks related to laws and regulations;
- risks related to macroeconomic factors as well as sector specific factors of the hospitality industry;
- risks related to the financing and the re-financing of the Group's activities and assets;
- other factors presented in the section entitled "Risk Factors" and the Group's success at managing the risks associated with the aforementioned factors.

Additional factors that could cause actual results, performance or achievements to differ materially include, but are not limited to, those discussed in "*Risk Factors*". These forward-looking statements speak only as of the date of this Offering Circular. Without prejudice to any requirements under applicable laws and regulations, the Issuer and each Guarantor expressly disclaim any obligations or undertaking to disseminate after the date of this Offering Circular any updates or revisions to any forward-looking statements contained herein to reflect any change in expectations thereof or any change in events, conditions or circumstances on which any such forward-looking statement is based.

### **Important – EEA Retail Investors**

If the Pricing Supplement in respect of any Notes include a legend entitled "Prohibition of Sale to EEA Retail Investors", the Notes are not intended, to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the EEA. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; (ii) a customer within the meaning of Directive 2002/92/EC (as amended or superseded, the "**IMD**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 of the European Parliament and the Council on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market. Consequently no key information document required by

Regulation (EU) No 1286/2014 (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 / target market**

The Pricing Supplement in respect of any Notes may include a legend entitled “MiFID II Product Governance” which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any person subsequently offering, selling or recommending the Notes (a “**distributor**”) should take into consideration the 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 target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue about whether, for the purpose of the MiFID Product Governance rules under EU Delegated Directive 2017/593 (the “**MiFID Product Governance Rules**”), any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise neither the Arranger nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the MiFID Product Governance Rules.

### **Benchmarks Register**

Interest and/or other amounts payable under the Notes may be calculated by reference to certain reference rates. Any such reference rate may constitute a benchmark for the purposes of Regulation (EU) 2016/1011 (the “**Benchmark Regulation**”). If any such reference rate does constitute such a benchmark, the Pricing Supplement will indicate whether or not the benchmark is provided by an administrator included in the register of administrators and benchmarks established and maintained by the European Securities and Markets Authority (“**ESMA**”) pursuant to Article 36 (Register of administrators and benchmarks) of the Benchmark Regulation. Transitional provisions in the Benchmark Regulation may have the result that the administrator of a particular benchmark is not required to appear in the register of administrators and benchmarks at the date of the Pricing Supplement. The registration status of any administrator under the Benchmark Regulation is a matter of public record and, save where required by applicable law, the Issuer does not intend to update the Pricing Supplement to reflect any change in the registration status of the administrator.

## PRESENTATION OF FINANCIAL AND OTHER INFORMATION

The Group’s financial information set forth in this Offering Circular has, unless otherwise indicated, been derived from the Issuer’s audited opening balance sheet as of 13 March 2019 (the “**Issuer’s Opening Financial Statements**”) and the audited consolidated financial statements of Julius Meintl Living PLC as of and for the year ended 31 December 2018 and as of 31 December 2017 and for the period from 9 August 2016 to 31 December 2017 (the “**Guarantor’s Consolidated Financial Statements**” and together with the Issuer’s Opening Financial Statements, the “**Financial Statements**”). See “*Documents Incorporated by Reference*”.

Prospective investors should note that Guarantor’s Consolidated Financial Statements include both Guarantors as well as non-guarantor entities of the Group (the “**Non-Guarantors**”). The table below sets out EBITDA of each of the Issuer, the Guarantors and Non-Guarantors and the percentage of the consolidated EBITDA of the Group they represented as of and for the year ended 31 December 2018:

As of and for the year ended 31 December 2018				
Issuer	Guarantors	Non-Guarantors	Group	
	(in EUR millions, unless otherwise indicated)			
EBITDA .....	-	9,173	13,114	22,734
as a percentage of total EBITDA .....	-	40%	60%	100%

Notes:

(1) The Issuer was incorporated on 13 March 2019, therefore it is not included in the Guarantor’s Consolidated Financial Statements.

The Group did not exist in its current form in the period covered by the Guarantor’s Consolidated Financial Statements as a result of various transactions, in particular the disposal of Moravský bytový fond s.r.o. (“**MBF**”) in March 2018 (see below) and acquisition of a 75 per cent. ownership interest in PPH Nove Mesto s.r.o. (“**PPH Nove Mesto**”) in July 2018 (see “*Description of the Group—Information about the Group—History and Development of the Group*”).

Between September 2016 and March 2018, the Group, through Julius Meintl Living Holdings Limited, owned MBF, incorporated in the Czech Republic. MBF was a special purpose company, which owned 13 residential properties in Ostrava and the surrounding cities, all in the Czech Republic. It had a portfolio size of approximately EUR 10 million as of 31 December 2017 based on a valuation report prepared by Ernst & Young. In March 2018, MBF was disposed due to a decision to focus on the serviced residences sector. The Guarantor’s Consolidated Financial Statements include MBF and its results within the consolidated statement of total comprehensive income (in the latter case until March 2018), even though this company is no longer part of the Group. The consolidated statements of financial position as of 31 December 2017 and 2016 include MBF, however due to the disposal in March 2018, the consolidated statement of financial position as of 31 December 2018 does not include MBF anymore. In addition, as of the date of this Offering Circular, the Group is developing its first project in Prague, Czech Republic, which is yet to start operations. As a result, the Financial Statements do not provide a meaningful picture of the operating history of the Group and of its future activities in particular.

The Financial Statements have been prepared in accordance with International Financial Reporting Standards (“**IFRS**”) as adopted in the European Union (the “**EU**”) and the Issuer’s Opening Financial Statements and the Guarantor’s Consolidated Financial Statements have been audited. The Euro is the presentation currency for the Financial Statements. The Financial Statements and financial information included elsewhere in this Offering Circular have, unless otherwise noted, been presented in Euros.

The fiscal year of the Issuer and each of the Guarantors commences on 1 January and ends on 31 December. The next financial statements of the Issuer and each of the Guarantors after the date of this Offering Circular will be prepared as of and for the year ended 31 December 2019. Unless required by applicable laws and regulations, the Issuer does not intend to prepare consolidated or interim financial statements in the future.

## Exchange Rate Information

### *Euro / Czech Koruna exchange rate*

The table below sets forth, for the periods and dates indicated, the high, low, period end and period average exchange rate between the Euro and the Czech Koruna. Fluctuations in the exchange rate between the Euro and the Czech Koruna in the past are not necessarily indicative of fluctuations that may occur in the future. These rates may also differ from the actual rates used in the preparation of the Financial Statements and other financial information presented in this Offering Circular.

Year	High	Low	Period end	Period average <sup>(1)</sup>
	CZK per EUR 1.00			
2013.....	25.189	27.701	27.397	25.974
2014.....	27.322	28.011	27.701	27.548
2015.....	27.027	28.409	27.027	27.248
2016.....	27.151	27.014	27.021	27.034
2017.....	27.058	25.413	25.535	26.326
2018.....	26.073	25.192	25.724	25.647

Source: European Central Bank

Note:

(1) The average rates are calculated as the average of the daily exchange rates on each business day.

No representation is made that Euro or Czech Koruna amounts referred to herein could have been or could be converted into euros or Czech Korunas, as the case may be, at these rates, at any particular rate or at all. The rate on 28 February 2018 was CZK 25.753 = CZK 1.00.

### Foreign Language Terms

This Offering Circular is drawn up in the English language. Certain legislative references and technical terms in English version have been cited in their original German Luxembourgish language in order that the correct technical meaning may be ascribed to them under applicable law.



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## RISK FACTORS

*Any investment in the Notes is subject to a number of risks and uncertainties. Prospective investors should consider carefully the risks and uncertainties associated with the Group's business and any investment in the Notes, together with all of the information that is included in this Offering Circular, and should form their own view before making an investment decision with respect to the Notes. In particular, prospective investors should evaluate the risks and uncertainties referred to or described below, which may have a material adverse effect on the Issuer's and the Guarantors' business, results of operations and financial condition. Should one or more of the following events or circumstances occur at the same time or separately, the value of the Notes could decline and an investor might lose part or all of its investment.*

*The Issuer and the Guarantors believe that the factors described below represent the principal risks inherent in investing in the Notes, but the Issuer's or the Guarantors' inability to pay interest, principal or other amounts on or in connection with the Notes may occur for other reasons and the Issuer does not represent that the statements below regarding the risks of holding the Notes are exhaustive. Additional risks not presently known to the Issuer or the Guarantors or that the Issuer or the Guarantors currently deem immaterial may also impair the Issuer's or the Guarantors' ability to pay interest, principal or other amounts on or in connection with the Notes.*

*This Offering Circular also contains forward-looking statements that involve risks and uncertainties. The Issuer's actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the risks faced by the Issuer described below and elsewhere in this Offering Circular. See "Forward-Looking Statements" The order in which the risk factors are listed below is no indication as to the likelihood that any such risks will in fact occur; likewise, it is not an indication as to the extent to which they could materially adversely affect the Issuer's, the Guarantors' or the Group's business or its financial condition and results of operations.*

### **Risks related to the Issuer and the Guarantors**

***The Issuer is a special purpose company established solely for issuance of the Notes with no revenue generating operations of its own and is dependent on repayment of principal and payment of interest from the Group's operating subsidiaries to service its indebtedness, including under the Notes.***

The Issuer is a newly established company with no business history. The Issuer has been established solely for the purpose of issuing the Notes and its main business activity is to on-lend the proceeds from the sale of the Notes under intercompany loans to other members of the Group. The Issuer intends to service and repay the Notes out of the payments it receives under the intercompany loans from other members of the Group. The Issuer has no revenue generating operations of its own, and therefore the Issuer's cash flow and ability to service its indebtedness, including under the Notes, will depend on the continued operation, solvency, creditworthiness, operating performance and financial condition of the Group and the receipt by the Issuer, in a proper and timely manner, of funds from the other members of the Group in the form of interest payments and repayment of principal. Therefore, the Issuer is indirectly subject to the same risk factors as the other members of the Group and the Group as a whole, which are described further below.

***The Guarantors are holding companies with no revenue generating operations of their own and are completely dependent on cash flow from their operating subsidiaries to service their obligations, including the Guarantee.***

Since each Guarantor is a holding company of the Group, they are reliant on revenue generation through their subsidiaries. The Guarantors intend to service and repay the obligations under the Guarantee from ongoing dividend distributions they receive from other members of the Group. The Guarantors have no revenue generating operations of their own, and therefore the Guarantors' cash flow and ability to guarantee the Notes, will depend on the continued operation, solvency, creditworthiness, operating performance and financial condition of the Group and the receipt by the Guarantors, in a proper and timely manner, of funds from the other members of the Group in the form of dividends, the proceeds from the sale of some of its long-term assets or from the management of its short-term assets, including cash balances, if any. Therefore, the Guarantors are indirectly subject to the same risk factors as the other members of the Group and the Group as a whole, which are described further below.

***The Guarantors' obligations under the Guarantee to make payments on the Notes may effectively be subordinated to claims under the liabilities of their subsidiaries in certain scenarios***

The Guarantors are holding companies with no direct operations. The Guarantors' abilities to make payments pursuant to the Guarantee depends upon the receipt of dividends, distributions and other payments from its subsidiaries, proceeds from the sale of its subsidiaries or the issuance of debt or equity securities of the Guarantors.

The Guarantors' subsidiaries are separate and distinct legal entities and have no obligation to pay any amounts due on the Notes or pursuant to the Guarantee, or to provide the Issuer or the Guarantors with funds for their payment obligations under the Notes and the Guarantee, respectively. In the event of a bankruptcy, liquidation or reorganisation of a subsidiary, holders of such subsidiary's indebtedness and trade and other creditors of that subsidiary will have a claim to the assets of the subsidiary that ranks in priority to the Guarantors' interests in those assets (except to the extent that either Guarantor is recognised as a creditor through intercompany claims or loans) for its own payment obligations under the Guarantee. Therefore, in certain circumstances, the Guarantors' obligations under the Guarantee may effectively rank junior to the claims under the liabilities of their subsidiaries, including trade payables and the liquidation value of preferred stock of these subsidiaries. In addition, the Guarantors' subsidiaries may be subject to contractual or other restrictions that would prevent them from paying dividends or otherwise distributing cash to the Guarantors. There can be no assurance that the assets of any of the subsidiaries of either Guarantor will be available to make distributions to such Guarantor that would be available to guarantee payments with respect to the Notes.

**Risks related to the Group's business and the industry generally**

***The Group may fail to successfully implement its business strategy.***

The Group's financial performance and success depend in large part on its ability to successfully implement the Group's business strategy. The Group represents a newly-established business line of the 'House of Julius Meinl', which through different holding structures represents the interests of the Julius Meinl family (the "**House of Julius Meinl**"), in the sector of serviced residences under the name Julius Meinl Living. The Julius Meinl family has been present in food services and distribution since 1862. Over the more than 150 years of its existence, the Julius Meinl family has expanded into diverse consumer goods investments and different type of real estate, in particular during the past 25 years. While the House of Julius Meinl has prior experience in the development and management of real estate in general, it has no previous experience in the hospitality sector. The Group plans to acquire and develop properties and operate them as serviced residences through either its own or a third party property management company. As of the date of this Offering Circular, the Group owns and is developing its first property in Prague, the Czech Republic. The Group is evaluating additional pipeline projects in, for instance, Budapest, Hungary, Bucharest, Romania, Belgrade, Serbia, as well as in other European countries, with the aim of acquiring suitable properties for such pipeline projects. As of the date of this Offering Circular, these projects are not planned to commence operation before 2021.

The Group aims to establish itself as a well-known quality brand in the serviced residences sector. In addition to Prague, the Czech Republic, Budapest, Hungary, Bucharest, Romania, Belgrade, Serbia, as well as Poland and in Baltic region, the Group plans to roll out its concept and open serviced residences in selected capital and other major cities across Europe, in particular in Central and Eastern Europe ("**CEE**"), Southern and Eastern Europe ("**SEE**"), Northern Europe, and Western Europe, and thereafter potentially expand to other parts of the world as well.

There is no guarantee that the Group will be able to successfully implement its business strategy, realize any benefit from the same or be able to improve its results of operations. Implementation of the Group's business strategy could be affected by a number of factors beyond the Group's control, such as increased competition, inability to identify and acquire suitable properties, access to external financing under favourable conditions or at all, legal and regulatory developments, general economic conditions or an increase in operating costs. Any failure to successfully implement the Group's business strategy could have an adverse effect on the Group's business, financial condition, results of operations, cash flows and prospects.

***The Group's financial information may not accurately reflect the Group's historical business and results of operations.***

The Group did not exist in its current form in the period covered by the audited consolidated financial statements of Julius Meinl Living PLC as of and for the year ended 31 December 2018 and as of 31 December 2017 for the period from 9 August 2016 to 31 December 2017 as a result of various transactions, in particular the disposal of MBF in March 2018 and acquisition of a 75 per cent. ownership interest in PPH Nove Mesto in July 2018. Between September 2016 and March 2018, the Group, through Julius Meinl Living Holdings Limited, owned MBF, incorporated in the Czech Republic. MBF was a special purpose company, which owned 13 residential properties in Ostrava and the surrounding cities, all in the Czech Republic. It had a portfolio size of approximately EUR 10 million as of 31 December 2017 based on a valuation report prepared by Ernst & Young. In March 2018, MBF was disposed due to a decision to focus on the serviced residences sector.

The Guarantor's Consolidated Financial Statements include MBF and its results within the consolidated statement of total comprehensive income (in the latter case until March 2018), even though this company is no longer part of the Group. The Guarantor's consolidated statements of financial position as of 31 December 2017 and 2016 include MBF, however due to the disposal in March 2018, the consolidated statement of financial position as of 31 December 2018 does not include MBF anymore. In addition, as of the date of this Offering Circular, the Group is developing its first project in Prague, Czech Republic, which is yet to start operations. As a result, the Financial Statements do not provide a meaningful picture of the operating history of the Group and of its future activities in particular.

***The Group's property acquisitions involve risks that may not be uncovered by prior due diligence.***

Before acquiring a property, the Group performs due diligence in order to evaluate the property and identify connected risks. However, the Group cannot guarantee that its due diligence when purchasing a property will identify all of the potential liabilities and risks related to the property or that it will have recourse to the seller of the property for the non-disclosure of such risks. It is possible that the Group may have overlooked or may overlook certain risks especially where transactions must be closed under time pressure. These risks, among others, relate to title and security searches, planning permissions and conditions, building permits, licences, fire and health and safety certificates and the compliance with related regulations as well as restrictions in connection with historic preservation laws. When the Group does not acquire a property directly but rather through a company that owns such property, additional risks arising from, among other things, the target company's corporate structure, financial and tax liabilities, may arise and may not be identified, sufficiently or at all, by the Group's due diligence.

Although the properties acquired by the Group are also inspected prior to purchase in the course of a technical due diligence investigation, it is possible that damage or quality defects could remain entirely undiscovered, or that the scope of such problems may not be fully apparent in the course of the due diligence investigation. Because sellers typically exclude liability for hidden defects, the Group may not be able to claim indemnity for any such loss incurred by the Group. Even where liability for hidden defects has not been fully excluded, it is possible that the representations and warranties made in the purchase agreement with respect to the property failed to cover all risks and potential problems relating to the acquisition. In addition, it is possible that some properties acquired by the Group may contain ground contamination, hazardous materials, other residual pollution or wartime relics (potentially including unexploded ordnance). The discovery of such issues can lead to substantial project delivery delays and their remediation and related additional measures could involve considerable additional costs. Moreover, the existence or even merely the suspicion of the existence of wartime ordnance, hazardous materials, residual pollution or ground contamination can negatively affect the value of a property and the ability of the Group to sell, or to operate a serviced residence on, such a property.

Any of the above events or circumstances could have a material adverse effect the Group's business, financial condition, results of operations, cash flows and prospects.

***The development or conversion of new serviced residences projects and the expansion, modernisation and maintenance of existing serviced residences may be affected by unexpected problems and unrecognised risks, and could take more time or could become more expensive than originally expected.***

The Group is currently developing its first project in Prague, the Czech Republic, and is further evaluating additional projects in other selected countries. As part of its future business strategy, the Group plans to incur significant capital investment to expand its serviced residences portfolio. The real estate development and conversion business is subject to certain risks arising from the complexity of the projects, including higher than expected costs, breaches of labour laws, delays in completion, the application of regulations, health and safety, monument protection, or environmental constraints, the multiplicity of participants, relationships with owners or users of neighbouring real estate, and the need to obtain permits. These risks could result in the abandonment of projects after significant feasibility study costs and management attention have been expended, or could lead to substantial project delivery delays, which could adversely impact the Group's profitability and the value of its properties. It typically takes several months or years from the commencement of a project to completion of a new serviced residence, and demand for serviced residences in particular locations may change significantly between the time the Group makes the decision to enter a particular market or region and the time at which a serviced residence commences operation. If future demand for the Group's serviced residences does not match the growth in its serviced residences portfolio, the Group may experience lower occupancy than expected or be required to lower its residence rates in a particular serviced residence to attract customers.

The properties owned by the Group may from time to time require investment for targeted modernisation and renovation. Such measures can be expensive and may trigger costs that will exceed the costs of general maintenance. The Group could underestimate the amount to be invested for the targeted modernisation and renovation of acquired properties as modernisation costs may increase due to various factors. The Group could also be exposed to risks due to delays in the implementation of modernisation or renovation measures, against which the Group might not have been contractually protected.

Any of the above events or circumstances could have a material adverse effect the Group's business, financial condition, results of operations, cash flows and prospects.

***The Group's business strategy envisions additional selective property acquisitions, but the Group may be unable to identify suitable targets, acquire them on acceptable terms, or complete the acquisitions.***

As part of its business strategy, the Group plans to continue to expand its property portfolio through selective strategic and complementary acquisitions. The Group's acquisition strategy includes identifying properties in CEE, SEE, Northern Europe and Western Europe that meet the Group's investment criteria, and acquiring such properties on terms acceptable to the Group. Given the current high demand for real estate in CEE, SEE, Northern Europe and Western Europe, such portfolios or properties may be unavailable or available only on unfavourable terms or at unattractive prices. Additionally, the supply of real estate portfolios might be limited, for example due to fewer sales of real estate portfolios by municipalities or by private sellers. Constricted supply could increase competition for acquisition of properties that would be suitable for the Group and could also motivate potential sellers to sell properties in an auction process. All this may result in a price increase or even a complete unavailability of properties, which are in the strategic focus of the Group.

The acquisition of real estate requires, among other things, an analysis of the factors that create value, and such analysis is subject to a wide variety of factors and subjective assessments and is based on various assumptions. It is possible that the Group may overestimate the potential of the target properties when making acquisition decisions or that it may base its decision on inaccurate information or assumptions that turn out to be incorrect. Any inability or failure to identify and successfully acquire attractive properties at commercially acceptable terms, could limit the Group's ability to grow its business effectively and could have an adverse effect on the Group's business, financial condition, results of operations, cash flows and prospects.

***The valuations performed on the Group's real estate portfolio represent the analysis and opinion of independent experts and are not guarantees of present or future value.***

The financial statements of the Group may reflect property valuations performed by external valuation agents and are not guarantees of present or future value. One external valuation agent may reach a different conclusion to the conclusion that would be reached if a different external valuation agent were appraising the

same property, and similarly the same external valuation agent may come to a different conclusion at different periods of time. This variation may be due to the use of different methodologies and assumptions. Any change to valuation methodology may result in gains or losses in the Group's financial statements, based on the change to each property's valuation compared with prior valuations. There can be no assurance that any revaluation could be realised in a third-party sale. The valuations given to properties by any external appraiser and reflected in the Group's financial statements may exceed or be below the actual amount of net proceeds which would be realised on the relevant property at the time of any sale, and are subject to fluctuation over time. In addition, valuation of the Group's real estate portfolio may be affected by currency fluctuations. Such variations may be driven by factors outside the control of the Group. The net proceeds realised from any future disposal may vary from the related valuation and such variations may be material and the Group may not be able to realise the full property value reflected in any valuation report. This could have an adverse effect on the Group's business, financial condition, results of operations, cash flows and prospects.

***The Group is exposed to risks relating to monument protection, planning and environmental regulation, restitution claims and municipal pre-emption rights.***

The Group's properties are subject to restrictions under applicable monument protection, planning, building, preservation, environmental and other laws and regulations, and may be subject to statutory encumbrances, competing claims, pre-emption rights, restitution claims, and other limitations, which may not be covered, sufficiently or at all, by the Group's insurance policies and which may impact the value of the Group's properties and the Group's ability to use and dispose of them as it would otherwise see fit. As a result of the above or other restrictions, the Group may incur additional expenses and be prevented from developing, modernising or renovating the affected properties in a way that would otherwise make such properties more attractive to customers and allow the Group to increase its overall occupancy or residence rate levels. Non-compliance with such restrictions may have consequences ranging from fines, administrative and penal sanctions to prohibition of use or demolition orders, and, as such, a material adverse effect on the Group's business, financial condition, results of operations, cash flows and prospects.

***A majority of the Group's revenues are expected to be initially generated from operation in the Czech Republic, where the Group has its first project, and subsequently from operations in other selected countries in which the Group may from time to time operate, and any significant downturn in the economies of these countries or other social or political developments could have a material adverse effect on the Group's business, financial condition, results of operations, cash flows and prospects.***

All of the Group's revenues are expected to be initially generated from its operation in the Czech Republic, and subsequently from its operations in other countries in which the Group may from time to time operate. Accordingly, the Group's business, financial condition, results of operations, cash flows and prospects will be particularly affected by general economic and financial conditions in these countries, changes in their economic, tax, regulatory, administrative or other conditions or policies, as well global economic conditions or policies, or worsening of the global economic conditions over which the Group has no control.

In particular, the performance of the lodging industry, including the serviced residences segment, is closely linked to the performance of the general economy and is sensitive to business and personal discretionary spending levels. Declines in corporate budgets and spending and consumer demand due to adverse general economic conditions, changes in travel patterns, desirability of particular geographic locations, lodging preferences, lower consumer confidence, high unemployment or adverse political conditions can lower the revenues and profitability of the Group's serviced residences.

In addition, changes in consumer demand and general business cycles can subject the Group's revenues to significant volatility. The majority of the Group's expenses are relatively fixed, and they may increase at a greater rate than the Group's revenues, for example due to general economic development or inflation. The expenses of owning and operating serviced residences are not significantly reduced when circumstances such as market and economic factors and competition cause a reduction in revenues. Where cost-cutting efforts are insufficient to offset declines in revenues, the Group could experience a material decline in margins and reduced cash flows or losses. This effect can be especially pronounced during periods of economic contraction or slow economic growth, and may be exacerbated by the relatively illiquid nature of the Group's real estate holdings, which will limit the Group's ability to vary its portfolio in response to changes in economic and other conditions. Moreover, the Group is exposed to a concentration risk resulting from a lack of

diversification between asset classes, and initially also between individual assets, considering the Group's focus on investments into one real estate class of similar size for each property.

The materialisation of any of the above risks could have a material adverse effect on the Group's business, financial condition, results of operations, cash flows and prospects.

***The Group operates in a competitive industry, and its business, financial condition, results of operations, cash flow and prospects could be adversely affected if the Group is unable to compete effectively.***

The lodging industry is highly competitive. The Group's serviced residences compete with a wide range of facilities offering various types of lodging options and related services to the public. The Group has to compete with not only other international branded serviced residences, other serviced residences and executive residential housing, but also with traditional hotel operators of varying sizes, including major international chains and local hotel companies. The competitive landscape also includes alternative sources of accommodation, such as short-term lets of private property. Additionally, the use and popularity of sharing economy providers, such as Airbnb, has grown rapidly in recent years. Sharing economy providers compete against traditional accommodation providers such as hotels, hostels and serviced residences and may disrupt or reduce customer demand for traditional accommodation or require traditional accommodation providers to alter their business model or pricing structures in order to compete effectively. The Group's competitors may be able to react more swiftly to changes in market conditions or trends or to offer lower prices. The adoption by competitors of aggressive pricing, intensive promotional activities and discount strategies or other actions that attract customers away from the Group may make it more difficult for the Group to compete effectively. The materialisation of any of these risks could have an adverse effect on the Group's market share and position, and in turn on its business, financial condition, results of operations, cash flow and prospects.

***The Group is exposed to the risk of events that adversely impact domestic or international travel and business activity.***

The residence rates and occupancy levels of the Group's serviced residences could be adversely impacted by events that affect the level of domestic and international travel and business activity. Such events may be actual or threatened acts of violence, terrorism or war, serious and organised crime, political instability or civil unrest, public health crises, epidemics or threats thereof, travel-related accidents or industrial action, or other local factors impacting specific countries, cities or individual serviced residences operated by the Group, as well as increased transportation and fuel costs. The Group's results may also be affected by periods of abnormal, severe or unseasonal weather conditions, including natural disasters, such as floods and other adverse weather and climate conditions. The occurrence and consequences of such events are unpredictable, could have an adverse effect on the travel, lodging and leisure industries in general, affecting the locations in which the Group operates and thus having a negative impact on the Group's business, financial condition, results of operations, cash flows and prospects.

***The Group is exposed to the risks of fluctuations in customer demand.***

The future operating results of the Group could be adversely affected by industry overcapacity and weak demand due, in part, to the cyclical nature of the lodging industry, or other differences between planning assumptions and actual operating conditions. Once the Group's serviced residences commence operation, the Group's net turnover and cash flows will depend upon numerous factors, such as bookings and revenues per available residence. In the lodging industry, these factors are typically affected by seasonality, depending upon the location and category of the accommodation. For example, the number of tourist arrivals in Europe changes significantly depending upon the season, and the majority of lodging stays in the region is concentrated in the second and third quarters of the calendar year. Although the Group aims to primarily target corporate customers and thus expects to be subject to less accentuated fluctuation than the overall lodging industry, the level of demand for the Group's serviced residence apartments and other products and services is nevertheless expected to fluctuate over the course of the calendar year. At the same time, a significant proportion of the Group's expenses will likely be incurred more evenly throughout the year. As such, the Group's profitability is expected to fluctuate during the year. These conditions could result in reductions in residence rates and occupancy levels, which could have an adverse impact on the Group's business, financial condition, results of operations, cash flows and prospects.

***The Group's business depends on its relationship with a wide range of external stakeholders, business partners and third-party suppliers.***

The Group relies on the performance, behaviour and reputation of a wide range of external stakeholders, business partners and third-party suppliers, such as contractors, suppliers, vendors, online travel agents, janitorial, technical, IT and payment service providers, third-party intermediaries and other business partners. In particular, the Group depends on the performance of third-party contractors for the development of its projects, and on the ability to enter into agreements with such contractors on commercially favourable terms or at all, which is increasingly challenging especially during the time when the economy is expanding. Further, the number and complexity of interdependencies with stakeholders is evolving. Breakdowns in relationships, contractual disputes, poor vendor performance, insolvency, stakeholder behaviour or adverse reputations, which may be outside of the Group's control, could adversely affect the Group's performance and competitiveness, delivery of projects, guest experiences or the reputation of the Group or its brand. In addition, adverse changes in any of the Group's relationships with outsourcing partners and third-party suppliers or the inability to enter into new relationships with these parties, on commercially favourable terms, or at all, may cause disruption or adversely affect the Group's business, financial condition, results of operations, cash flows and prospects.

***The growth of third-party online and other reservation intermediaries and travel consolidators may adversely affect the Group's profitability and its ability to maintain customer loyalty to its brand.***

Once the Group's serviced residences commence operation, a proportion of the Group's bookings is expected to originate from large multinational, regional and local online travel agents and intermediaries to whom the Group will pay commissions for such services. These platforms offer a wide range of products, often across multiple brands, have growing booking and review capabilities, and may create the perception that they offer the lowest prices. Some of these online travel agents and intermediaries have strong marketing budgets with the aim of developing customer loyalty toward their reservation systems rather than the Group's brand, and may seek to commoditise lodging brands through price and attribute comparison. If sales made through third-party internet travel intermediaries increase significantly and customers develop stronger loyalties to these intermediaries rather than to the Group's brand, the Group may experience a decline in customer loyalty and, consequently, the Group's business and net turnover could be negatively affected.

Further, if these third-party travel intermediaries continue to gain market share, they may undermine the Group's own booking channels, negotiate higher commissions, reduced residence rates, or other significant concessions from the Group, thus increasing the overall cost of these third-party distribution channels and impacting the Group's profitability. The loss of distributors, increased distribution costs or the renewal of distribution agreements on significantly less favourable terms could, however, adversely impact the Group's business.

The materialisation of any of the above risks could have an adverse impact on the Group's business, financial condition, results of operations, cash flows and prospects.

***The Group's business strategy relies on the value of the Julius Meinl Living brand, and any failure to develop a successful brand and increase and maintain customer awareness of the Julius Meinl Living brand could adversely affect its business, results of operations, financial condition and prospects.***

As a chain serviced residences operator, the primary brand under which the Group operates as well as its image and reputation constitute a significant part of the Group's value proposition and serve to enhance its recognition among customers. The Group's future success depends on its ability to establish Julius Meinl Living as a well-known quality brand in the serviced residences sector in the countries in which the Group operates, or may from time to time operate, that provides consistent level of quality and value, and to leverage this reputation in other markets it plans to enter. The Group intends to spend considerable financial and human resources on developing and promoting the Julius Meinl Living brand, and will continue to invest in, and devote resources to, advertising and marketing, as well as other brand-building efforts to preserve and enhance consumer awareness of the brand. Although the Group views the development and expansion of the brand as an important aspect of its efforts to attract and expand its customer base, the Group's efforts in this regard may not be successful and its results of operations may not improve to the extent anticipated. There is no assurance that the Group will be able to successfully develop and maintain customer awareness of the brand or that its initiative to promote the brand will be successful or cost-effective. In particular, if the Group is unable



to create consistent, valued, and quality guest experiences across its serviced residences, or if the Group fails to act responsibly, engage in ethical behaviour or comply with relevant regulatory requirements, the reputation of the Julius Meinl Living brand could be adversely impacted. Similarly to the rest of the industry, the social and environmental impacts of the Group's business are under increasing scrutiny and the reputation of the Group and the value of the brand under which it operates are influenced by a wide variety of factors, including the perception of guests, suppliers and communities in which the Group operates. In addition, the value of the brand under which the Group operates could be influenced by a number of external factors outside the Group's control, such as, but not limited to, changes in sentiments against global brands, changes in applicable regulations related to the lodging industry, or successful commoditisation of lodging brands by online travel agents and intermediaries. Furthermore, due to the similarity and close association of the Julius Meinl Living brand with other brands and businesses belonging to the House of Julius Meinl, there is a risk that any negative sentiment against any of these other brands or businesses could negatively affect the perception of the Julius Meinl Living brand. Any such event could harm the Group's image, reputation or brand under which it operates, cause a loss of customer confidence in the Group, and thus negatively affect the Group's business, financial condition, results of operations, cash flows and prospects.

***The Group depends on JULIUS MEINL FUNDS a.s. for the use of its primary brand and may be limited in its usage of the brand by the terms of its license agreement or may fail to renew such license agreement on commercially favourable terms or at all, and relies on JULIUS MEINL FUNDS a.s. for the protection and enforcement of the proprietary rights to the brand.***

Rights to use the Julius Meinl Living brand and the Julius Meinl name are provided to the Group under a non-exclusive license agreement with JULIUS MEINL FUNDS a.s. ("**Julius Meinl Funds**"), the legal owner of selected intellectual property rights to the brand and an entity under the umbrella of the House of Julius Meinl. The licence is limited to the territory of, among other things, the EU, the Russian Federation, Serbia and Ukraine, whereas in some of these jurisdictions the intellectual property rights under the agreement were not registered as of the date of this Offering Circular. If, after the Group has developed customer awareness of the brand, the Group was unable to continue to use the brand due to a termination of the license or for any other reason, or if the Group was not able to renew the license on commercially favourable terms or at all, significant time, effort and resources would be required to establish a new brand identity.

In addition, given the importance of brand recognition to the Group's business, the registration and protection of the intellectual property rights to the brand plays a fundamental role in preserving the value of the brand and, consequently, the Group's reputation, competitive advantage and goodwill. Any widespread infringement, misappropriation or weakening of the intellectual property rights to the brand could materially harm the value of the brand as well as the Group's market acceptance, competitive advantage and ability to develop its business. The Group has the obligation to take all steps required for the registration of the intellectual property rights in all necessary jurisdictions, but depends on the cooperation of Julius Meinl Funds and relies on Julius Meinl Funds to protect the proprietary rights to the brand and, to that end, develop, maintain, license and police a portfolio of trademarks and other intellectual property rights in the countries where the Group operates. There is no guarantee that such trademark registrations will be granted or that the steps the Group or Julius Meinl Funds take to protect the intellectual property to the brand will be adequate to prevent others from copying or using the brand without authorization. Litigation may be necessary to enforce the intellectual property rights to the brand or to determine the validity and scope of the proprietary rights of others. Litigation of this type could result in substantial costs and diversion of resources, may result in counterclaims or other claims against Julius Meinl Funds or the Group.

The materialisation of any of the above risks could negatively affect the Group's business, financial condition, results of operations, cash flows and prospects.

***The Group's controlling shareholder's interest may differ from the interests of the Holders.***

As of the date of this Offering Circular, the Issuer is a wholly owned subsidiary of, and is controlled by, Julius Meinl Living PLC (which is a Guarantor). Julius Meinl Living Holdings Limited (which is also a Guarantor) is a wholly-owned subsidiary of Julius Meinl Living PLC. The Guarantors and, therefore, the Group, are ultimately controlled by the Julius Meinl family. The ultimate controller may have the power to influence the outcome of most material matters that require votes of the majority of board members and can exercise influence over the Group's legal and capital structure, day-to-day operations and business strategies. While

the Group believes that it adheres to best corporate governance practices and that the interests of controlling shareholders will remain consistent with those of the Group, there can be no assurance that such interests will always be consistent or that their rights will be exercised for the Group's benefit or for the benefit of the Holders. As part of its day to day operation, the Group may from time to time enter into relations with entities outside of the Group and belonging under the umbrella of the House of Julius Meinl. Although the Group has a general obligation to enter into such relations on an arms-length-basis, there can be no assurance that the conditions under which it enters into such relations will always be as beneficial to the Group as if entered into with unrelated parties.

***The Group is dependent on key managers, senior executives and other qualified personnel and may not be able to attract and retain them.***

The Group's ability to implement its business strategy, generate revenue and profits, and therefore the Issuer's ability to make payments on the Notes, is largely dependent on the Group's ability to attract and retain key managers and senior executives as well as skilled personnel. The markets in which the Group operates or intends to operate are experiencing economic growth and low unemployment. The Group must therefore compete against other companies inside and outside the lodging industry for qualified or experienced employees. Failure to attract and retain employees may impair the Group's ability to adequately manage and staff its business, which could reduce customer satisfaction and threaten the success of the Group's operations in these markets. Any shortage of adequately skilled candidates could hinder the Group's ability to grow and expand its business and may force the Group to increase wages to attract suitably skilled candidates, which could substantially increase the Group's costs and reduce profits. The implementation of the Group's strategic business plans could be undermined by the failure to build a resilient corporate culture, recruit or retain key personnel, invest in the development of key skills of its employees, the unexpected loss of key senior employees, as well as failures in the Group's succession planning and incentive plans. Materialisation of any of these risks could have a material adverse effect on the Group's business, financial condition, results of operations, cash flows and prospects.

***The Group is exposed to inherent risks in relation to changing technology and systems, resilience of its key technology platforms and risks that could cause the failure of these systems.***

As the use of internet and mobile technology grows and customer needs evolve at pace, the Group may find that its evolving technology capability is not sufficient and may have to make substantial additional investments in new technologies or systems to remain competitive. Failure to keep pace with developments in technologies or systems may put the Group at a competitive disadvantage. In addition, the technologies or systems that the Group chooses to deploy may not be commercially successful or the technology or system strategy may not be sufficiently aligned with the needs of the business. Once the Group's serviced residences commence operation, the Group will depend on the efficient and uninterrupted operation of its information technology systems and processes. For example, the Group will rely on its reservation system, which will facilitate bookings through different sales channels. In addition, the Group will depend on information technology to run its day-to-day operations, including serviced residence services and amenities such as guest check-in and check-out, housekeeping and residence service and to track and report financial results of its serviced residences.

The Group's systems and the systems on which it will rely are vulnerable to damage or interruption from various factors, including but not limited to power loss, telecommunication failures, data corruption, network failure, computer viruses, security breaches, natural disasters, theft, vandalism or other acts. In addition, the information technology systems are costly and are expected to require refinements that may cause disruptions to many of the Group's key information and technology systems. A disaster or disruption in the infrastructure that supports the Group's businesses could have a material adverse effect on its ability to continue to operate without interruption and its ability to compete effectively could be diminished. The Group is also reliant on the general and timely functioning of banking systems and associated technology in order to receive and make payments. Any cessation of the ordinary functioning of the banking system or any interruption of payment systems may impact the ability to receive payments from customers and could prejudice the ability of the Issuer to make payments in respect of the Notes. Materialisation of any of the above risks could have a negative impact on the Group's business, financial condition, results of operations, cash flows and prospects.

***Cyber risk and the failure to maintain the integrity of internal or customer data could result in faulty business decisions and harm the Group's reputation or subject it to costs, fines or lawsuits, or limit its ability to accept and process payments.***

The Group will collect and retain large volumes of internal and customer data, including credit card numbers and other personally identifiable information during the normal course of its business. The Group also maintains personally identifiable information about its employees. Although the integrity and protection of customer, employee and company data is critical to the Group's business, the Group's systems may not be able to satisfy the changing regulatory requirements and customer and employee expectations, or may require significant additional investments or time in order to do so. Theft, loss, fraudulent or unlawful use of customer, employee or company data could harm the Group's reputation and result in remedial and other costs, fines and lawsuits, which may be material. Despite the Group's security measures, its information technology and infrastructure may be vulnerable to cyber security attacks by hackers or breached due to employee error, malfeasance or other disruptions. Any such breach could compromise the Group's networks and the information stored there could be accessed, publicly disclosed, lost or stolen. Any such access, disclosure or other loss of information could damage the Group's reputation and result in legal claims or proceedings and regulatory penalties. In addition, if the Group were to be found not to be compliant with applicable standards regulating the handling of credit and debit card information, the Group may be subject to penalties such as fines or restrictions or bans from using such card schemes for its operations. Loss of the ability to accept credit and debit cards for payment would likely create a significant disruption to the Group's operations. Materialisation of any of the above risks could adversely affect the Group's business, financial condition, results of operations, cash flows and prospects.

***The Group's insurance coverage may not cover all losses and liabilities and the members of the Group may sustain losses from risks not covered by, or exceeding the coverage limits of, its insurance policies.***

The Group maintains insurance policies against possible development and operational risks (including with respect to the properties) that it considers appropriate to the nature of its business. The Group's insurance policies are, however, subject to exclusions and limitations of liability. In addition, there are certain types of losses (such as losses resulting from force majeure, war, terrorism, nuclear radiation, radioactive contamination, restitution claims, ground heaving or settlement, which are or may be or become either uninsurable or not insurable at economically viable rates, or which are not covered by the Group's insurance policies for other reasons. The Issuer's ability to make payments on the Notes might be adversely affected if such an uninsured loss were to occur or the relevant insurer became insolvent or otherwise unable to satisfy any claim, and the Group was not able to shift the cost burden to a third party. The Group does not maintain separate funds or otherwise set aside reserves to cover losses or third-party claims from uninsured events. Should an uninsured loss or a loss in excess of the Group's insurance limits occur, the Group may experience material losses in excess of insurance proceeds, which could have a material adverse effect on the Group's business, financial condition, results of operations, cash flows and prospects.

***The Group may be involved in disputes, legal and other proceedings arising from its operations from time to time and may be subject to regulatory reviews and queries.***

Going forward, the Group and its operating subsidiaries may be involved from time to time in litigation with various parties, including guests, customers, suppliers, employees, or regulatory authorities. Neither the nature nor the outcome of these proceedings can be predicted. Certain claims, for instance in relation to the Group's property, may arise even after the Group has disposed of such property or ceased to operate a particular project. In addition to the potential financial exposure the Group may face in relation to the same, any litigation, whether or not successful, could materially affect the Group's reputation in the market, its brand, or a relationship with its guests or suppliers. The proceedings or settlement in relation to litigation may involve internal and external costs, which may, even in the case of the successful completion of a relevant proceeding, not be fully reimbursable, divert senior management's time or use other resources, which would otherwise be utilised elsewhere in the Group's business. Any of these risks could have a material adverse effect on the Group's business, financial condition, results of operations, cash flows and prospects.

## **Risks related to the financing of the Group**

*The Group is exposed to a variety of risks associated with its financial stability and ability to borrow and satisfy debt covenants and may not be able to extend its existing credit arrangements, refinance its debt on substantially similar terms when it matures or obtain acquisition financing on financially attractive terms as and when needed.*

Owning and operating serviced residences is a capital-intensive business that requires significant capital expenditures. As of the date of this Offering Circular, the Group is investing in the conversion and renovation of its first project in Prague, the Czech Republic, and is evaluating additional projects in selected other countries that, if completed, will operate as serviced residences. As part of its business strategy, the Group plans future capital investments to expand its serviced residences portfolio through selected property acquisition and their subsequent construction or development into serviced residences. In the future, the Group will have to incur additional capital expenditures to maintain, renovate and improve its serviced residences properties in order to remain competitive, maintain the value and brand standards of the Group's serviced residences and comply with applicable laws and regulations. Access to the capital that the Group needs to acquire new properties and to convert, renovate and maintain its existing properties is critical to the continued growth of the Group's business and its revenues. The availability of capital or the conditions under which the Group can obtain capital has a significant impact on the overall level, cost and pace of future renovation or development and therefore the ability to grow the Group's revenues.

The Group is reliant upon having financial strength and access to borrowing facilities to meet these expected capital requirements. If the Group's financial performance does not meet its existing contractual obligations or market expectations, it may not be able to refinance existing facilities on terms considered favourable. If the Group is no longer able to obtain the financing it needs to acquire additional property portfolios, or if it is able to do so only on onerous terms, its further business development and competitiveness could be severely constrained. At the same time, any additional debt incurred in connection with future acquisitions, construction or development could have a significant negative impact on the Group's performance indicators, and could result in higher interest expenses for the Group. If the Group does not generate sufficient cash flows or if it is unable to obtain sufficient funds from future financings or at acceptable interest rates, the Group may not be able to pay its debts when due or to fund other liquidity needs. In addition, the terms of certain of the Group's financial indebtedness may contain restrictive provisions, which, if breached, may trigger mandatory prepayment of such indebtedness or result, if such indebtedness is secured, in the enforcement of the Group's assets, including the Group's properties or shares in the relevant Group members that own such properties, that constitute the collateral for such secured indebtedness. Any or all, or a combination of these factors would limit the Group's operating flexibility, and could have a material adverse impact the Group's business, financial condition, results of operations, cash flows and prospects.

### ***A rise in interest rates could increase the Group's financing costs.***

Historically, the global financial and economic crisis and concerns over the level of sovereign debt in many developed countries have caused a high level of uncertainty in many industries and markets and have resulted in reduced economic growth. During this time, interest rates have been set at relatively low levels in a number of countries. In addition, the uncertainty of the general economic situation and the low interest return on more traditional investment methods has made investments in residential and commercial real estate more attractive.

A rise in interest rates could adversely impact the Group's business in a number of ways. In general, rising interest rates will make financings needed by the Group for its acquisitions, conversions and renovation of real estate properties more expensive. Rising interest rates could also prompt investors to prefer investments with a higher yield than investments in real estate, which could lead to a general decrease of real estate value, thereby having a negative impact on the valuation of the Group's property portfolio. This, in turn, may also impact the Group's ability to finance or refinance its properties. The same applies to potential buyers whose willingness to purchase real estate may be negatively affected, thereby restricting the Group's ability to dispose of properties on favourable terms when desired. Materialisation of any of these risks could have a material adverse effect on the Group's business, financial condition, results of operations, cash flows and prospects.

***The Group is exposed to currency fluctuation risks that could adversely affect the Group's profitability.***

The Group is exposed to fluctuations in the value of currencies (as of the date of this Offering Circular primarily Czech Koruna) relative to Euro, because the Group's operational income and net turnover in each country where it operates is generated in the local currency. Although the Group currently reports its results in Euros, as of the date of this Offering Circular it conducts most of its business in Czech Korunas, and may from time to time conduct its business also in other local currencies of the countries where the Group plans to operate, such as Hungarian Forint, Romanian Leu, and Serbian Dinar. As such, the Group is subject to risks associated with currency fluctuations.

The Group's financial results in any given period may be materially adversely affected by fluctuations in the value of the local currencies (as of the date of this Offering Circular primarily Czech Koruna) relative to Euro and by the related transaction effects and the translation effects thereof. The Group is exposed to translation effects when one of its subsidiaries incurs costs or earns revenue in a currency different from the Group's functional currency. The Group is exposed to the transaction effects of foreign currency exchange rate fluctuations when the Group converts currencies that it receives into currencies required to pay its debt, or into currencies in which the Group incurs operating costs. The materialisation of any of these risks could result in a gain or loss depending on such fluctuations, and could negatively affect the Group's business, financial condition, results of operations, cash flows and prospects.

***The Group's hedging strategy may not prove successful or its hedge counterparties may not perform their obligations under the relevant hedging arrangements to which the Group may from time to time be a party.***

Going forward, the Group may need to implement a hedging strategy to hedge its exposure to interest and currency rate fluctuations. However, the Group may incur losses if any of the variety of instruments and strategies used to hedge exposures are not effective or cannot be implemented. The Group's actual hedging decisions will be determined in light of the facts and circumstances existing at the time of the hedge and may differ from time to time. Also, the risk management procedures the Group has in place may not always be followed or may not work as planned. In addition, the Group would be exposed to the risk that its hedging counterparties will not perform their obligations under the relevant hedging arrangements to which the Group may, from time to time, be a party. Hedging counterparties may default on their obligations towards the Group due to lack of liquidity, operational failure, bankruptcy or other reasons. The materialisation of any of the above risks could adversely affect the Group's business, financial condition, results of operations, cash flows and prospects.

**Risks related to laws and regulations**

***The Group is required to comply with existing and changing regulations across numerous countries, territories and jurisdictions.***

Government regulations affect many aspects of the Group's business ranging from corporate governance, health and safety, the environment, bribery and corruption, employment law and diversity, disability access, data privacy and information protection, financial, accounting and tax. Regulatory changes may require significant changes to the way the business operates and may inhibit the Group's strategy including the markets the Group operates in, brand protection, and use or transmission of customer data. As a result, the Group may be relatively disadvantaged compared to its competitors. In the course of its operation, the Group may be required to obtain various licenses, authorisations and permits. However, the Group may overestimate the likelihood of obtaining the required permits and approvals, for instance for the development or modernisation of its properties. If the Group fails to comply with existing or changing regulations, building codes, construction permits, or regulatory decisions, it may be subject to fines, prosecution, loss of licence to operate or reputational damage. In the course of its operation, the Group may have disagreements with relevant regulatory bodies on legal interpretation of laws and regulations. As a result, the Group may become subject to administrative proceedings and unfavourable orders, directives or decrees. The materialisation of any of the above risks may have a material adverse effect on the Group's business, financial condition, results of operations, cash flows and prospects.

***The legal infrastructure and the law enforcement system in some countries in the CEE, SEE and the Baltics are less developed compared to Western Europe.***

The legal infrastructure and the law enforcement system in some countries in the CEE, SEE and the Baltics countries in which the Group may from time to time operate are less developed when compared to some Western European countries. In some circumstances, it may not be possible to obtain legal remedies to enforce contractual or other rights in a timely manner or at all. Although institutions and legal and regulatory systems characteristic of parliamentary democracies have begun to develop in most of the countries in the CEE, SEE and the Baltics, the lack of an institutional history and lower political predictability remain a problem. As a result, shifts in government policies and regulations and fiscal measures tend to be less predictable than in countries with more developed democracies. Although the Julius Meinl family has been active in some countries in the region for more than 150 years, a lack of legal certainty or the inability to obtain effective legal remedies in a timely manner or at all in some countries in the CEE, SEE and the Baltics region in which the Group operates, or may from time to time operate, may have an adverse effect on the Group's business, financial condition, results of operations, cash flows and prospects.

***The United Kingdom's impending departure from the European Union could adversely affect the Group.***

The United Kingdom held a referendum on June 23, 2016 in which a majority voted to exit the European Union ("Brexit"). Negotiations are ongoing to determine the future terms of the United Kingdom's relationship with the European Union, including the terms of trade between the United Kingdom and the European Union. The effects of Brexit will depend on any agreements the United Kingdom makes to retain access to European Union markets. Brexit could adversely affect European or worldwide economic or market conditions and could contribute to instability in global financial and foreign exchange markets, including volatility in the value of the euro. In addition, Brexit could lead to legal uncertainty and potentially divergent national laws and regulations as the United Kingdom determines which European Union laws to replace or replicate. Any of these effects of Brexit, and others which cannot be anticipated, could adversely affect the Group's business, results of operations, financial condition and cash flows, and could negatively impact the value of the Notes.

***Risk of the United Kingdom no longer being party to the Recast Brussels Regulation***

In the event of a no-deal Brexit, the so-called Recast Brussels Regulation (Regulation (EU) No 1215/2012), which is the formal reciprocal regime on jurisdiction and judgments which is currently applied in the EU context will no longer apply in the United Kingdom. As a result, persons enforcing a judgment obtained before English courts will no longer automatically be able to benefit from the recognition of such judgment in EU courts (including Luxembourg) under the Recast Brussels Regulation. However, on 28 December 2018, the United Kingdom deposited its instrument of accession to the Hague Convention on Choice of Court Agreements 2005 (the Hague Convention) and the Hague Convention should become applicable in the UK as from when, or shortly after, the United Kingdom leaves the European Union. The Hague Convention is an international convention which requires contracting states to recognise and respect exclusive jurisdiction clauses in favour of other contracting states and to enforce related judgments. France already being a party to the Hague Convention judgments handed down by a UK court should be recognized and enforced under this Convention in France. However, the scope of the Hague Convention is limited to contracts containing exclusive jurisdiction clauses and there is no assurance that such judgments will be recognized on exactly the same terms and in the same conditions as under the Recast Brussels Regulation. It should be noted that this situation will arise only if there is a no-deal Brexit.

***Risks related to the Security and secured indebtedness of the Group's operating subsidiaries***

***A significant part of the Group's other indebtedness may be secured by security interests over property held by the Group's operating subsidiaries.***

As of 31 December 2018, 57.4 per cent. of the Group's indebtedness was secured by security interests over property held by the Group's operating subsidiaries. This secured indebtedness was repaid on 31 January 2019. Currently, the Group is in negotiations for incurrence of further secured debt. Neither the Notes nor the receivables of the Issuer arising from the on-lending of the proceeds from the Notes benefit from the same security interests. In addition, the claims of the Issuer against the Group's operating subsidiaries arising from the on-lending of the proceeds from the Notes are effectively subordinated to the extent of the value of

collateral to the existing secured creditors of the Group's operating subsidiaries. In the event of any foreclosure, dissolution, winding-up, liquidation, reorganisation, administration or other bankruptcy or insolvency proceeding of any of the Group members that have secured obligations, secured creditors will have prior claims to the Group's assets that constitute the collateral for such secured indebtedness. This may have a material adverse effect on the ability of the Issuer to service its indebtedness under the Notes and may cause the Holders to lose some or all of their investment in the Notes.

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

The value of the Security in the event of liquidation will depend on market and economic conditions, the availability of buyers and other factors. By its nature, parts of the Security may be illiquid and may have no readily ascertainable market value. In the event of any foreclosure, dissolution, winding-up, liquidation, reorganisation, administration or other bankruptcy or insolvency proceeding, the proceeds from the enforcement of the Security may not be sufficient to repay the obligations under the Notes and, as such, the Holders may lose some or all of their investment in the Notes.

***The ability of the Holders to recover under the Programme Security may be limited***

The Programme Security has been granted for the benefit of Holders of all Series of Notes. Holders may not be able to recover fully in respect of the Operating Bank Account and/or on the intercompany loans that are assigned as part of the Programme Security because in the event of any enforcement with respect to such Security, any proceeds from such enforcement will need to be shared with the Holders of all other Series of Notes permitted to share in such Programme Security. If the proceeds realised from the enforcement of such Programme Security is less than the sum of all amounts owed to all Holders permitted to share in that Programme Security, the Holders of all Series of Notes will all share rateably with respect to such amount. As a consequence, due to the application of the *pro rata* sharing principles, the holders of the Notes may not be able to rely entirely on the proceeds arising from the enforcement of the Programme Security in order to satisfy their monetary claims *vis-à-vis* the Issuer under the Notes.

***The holders of the Notes may not control certain decisions regarding the Programme Security***

Pursuant to the Trust Deed and the relevant Security Documents, the Trustee shall serve as the Trustee common to the secured parties under all Series of Notes with regard to the Programme Security. The Trust Deed provides that the Trustee will, subject to certain limited exceptions, act to enforce the security interests in the Programme Security and take instructions from the relevant secured creditors in respect of the Programme Security only at the direction of the Programme Controlling Party (as defined in the Condition 2).

Enforcement of security interests in the Programme Security could reasonably be expected to reduce the amount likely to be realised upon enforcement to a level such that the obligations to certain holders of Notes as secured creditors would not be discharged in full.

The security enforcement arrangements in respect of Programme Security could be disadvantageous to the holders of the Notes in a number of respects. Disputes may occur between the holders of the Notes and creditors under the different Series of Notes as to the appropriate manner of pursuing enforcement remedies and strategies with respect to the Programme Security securing such obligations. In such an event, the holders of the Notes will be bound by any decisions of the Programme Controlling Party, which may result in enforcement action in respect of the relevant Programme Secured Property, whether or not such action is approved by the holders of each Series of Notes or may be adverse to such holders. The interest of holders of one Series of Notes may be different from the interest of holders of another Series of 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 any other Series of Notes to do so.

***Holders will be able to direct the enforcement of the Security only under certain limited circumstances.***

The Security securing the obligations of the Issuer under the Notes is not granted directly to the Holders but is granted only in favour of the Trustee. The Trust Deed and the Terms and Conditions of the Notes provide that only the Trustee has the right to enforce the respective Security. As a consequence, Holders do not have direct security interests and are not entitled to take direct enforcement action in respect of the Security. The Trust

Deed provides that the Trustee may take enforcement action with respect to any of the respective Security only upon the instruction of the requisite number of bondholders (as set out below). The Trustee may take action to enforce the Security at its discretion at any time after the Security has become enforceable, but shall not be bound to take such action unless instructed by the Series Controlling Party or the Programme Controlling Party, as the case may be. Holders are therefore dependent on third parties in order to be able to indirectly enforce the Security.

With respect to Luxembourg, the appointment of a foreign trustee will be recognized under Luxembourg law, (i) to the extent that the designation is valid under the law governing such appointment and (ii) subject to possible restrictions depending on the type of the security interests. Generally, according to article 2(4) of the act dated August 5, 2005 concerning financial collateral arrangements, as amended (the “**Financial Collateral Law**”), a security (financial collateral) may be provided in favour of a person acting on behalf of the collateral taker, a fiduciary or a trustee in order to secure the claims of third-party beneficiaries, whether present or future, provided that these third-party beneficiaries are determined or may be determined. Without prejudice to their obligations *vis-à-vis* third-party beneficiaries of the security, persons acting on behalf of beneficiaries of the security, the fiduciary or the trustee benefit from the same rights as those of the direct beneficiaries of the security pursuant to such law.

### **Risk related to the Notes**

#### ***The Notes may not be a suitable investment for all investors***

Each potential investor in the Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- have sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained in this Offering Circular or any applicable supplement;
- have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact such investment will have on its overall investment portfolio;
- have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including where the currency for principal or interest payments is different from the potential investor’s currency;
- understand thoroughly the Terms and Conditions and the Pricing Supplement of the Notes and be familiar with the behaviour of the relevant financial markets; and
- be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

The investments of certain investors are subject to investment laws or regulations or, respectively, the supervision or regulation by certain authorities. Each potential investor should consult with a financial advisor, if and to what extent: (a) the Notes are an investment suitable for it to make; (b) the Notes may serve as collateral for different types of debt financing; and (c) other limitations on the purchase or pledge of the Notes apply. Financial institutions should consult with their legal advisor or their appropriate regulatory authority in order to assess the suitable classification of the Notes with respect to the applicable rules on risk capital or similar provisions.

#### ***The Notes may be subject to optional redemption by the Issuer.***

An optional redemption feature is likely to limit the market value of Notes. During any period when the Issuer may elect to redeem Notes, the market value of those Notes generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period.

The Issuer may be expected to redeem Notes when its cost of borrowing is lower than the interest rate on the Notes. At those times, an investor generally would not be able to reinvest the redemption proceeds at an



effective interest rate as high as the interest rate on the Notes being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

***The Notes may be redeemed prior to their final maturity date for tax reasons***

If the Issuer becomes obliged to pay any additional amounts in respect of the Notes as provided or referred to in Condition 12 (*Taxation*) as a result of any change in, or amendment to, the laws or regulations of a Relevant Tax Jurisdiction (as defined in Condition 12 (*Taxation*)) or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the date on which agreement is reached to issue the first Tranche of the Notes, the Issuer may redeem all but not some only of the outstanding Notes of such Tranche in accordance with Condition 10 (*Redemption and Purchase*) of the Notes.

In such circumstances, an investor may not be able to reinvest the redemption proceeds in a comparable security with a similar rate of return, which may have an adverse effect on the position of such investor. During any period when the Issuer may elect to redeem the Notes, the market value of the Notes generally will not rise substantially above the Early Redemption Amount. Potential investors should consider re-investment risk in light of other investments available at that time.

***Fixed/Floating Rate Notes are subject to additional risk***

Fixed/Floating Rate Notes are Notes which may bear interest at a rate that converts from a fixed rate to a floating rate, or from a floating rate to a fixed rate. Where the Issuer has the right to effect such a conversion, this will affect the secondary market in, and the market value of, the Notes since the Issuer may be expected to convert the rate when it is likely to result in a lower overall cost of borrowing for the Issuer. If the Issuer converts from a fixed rate to a floating rate in such circumstances, the spread on the Fixed/Floating Rate Notes may be less favourable than then prevailing spreads on comparable Floating Rate Notes tied to the same reference rate. In addition, the new floating rate at any time may be lower than the rates on other Notes. If the Issuer converts from a floating rate to a fixed rate in such circumstances, the fixed rate may be lower than then prevailing market rates.

***The Notes are subject to modification by a majority of Noteholders without the consent of all Noteholders.***

The conditions of the Notes contain provisions for calling meetings of Holders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Holders, including Holders who did not attend and vote at the relevant meeting and Holders who voted in a manner contrary to the majority.

The conditions of the Notes also provide that the Trustee may, without the consent of Holders and without regard to the interests of particular Holders, agree to (i) any modification of, or to the waiver or authorisation of any breach or proposed breach of, any of the provisions of the Notes; or (ii) determine without the consent of the Holders that any Event of Default or potential Event of Default shall not be treated as such; or (iii) the substitution of another company as principal debtor under any Notes in place of the Issuer, in the circumstances described in Condition 16 (*Meetings of Noteholders, Modification, Waiver and Substitution*).

***A change of law may adversely affect the Notes***

The Conditions of the Notes are based on English law in effect as of the date of this Offering Circular. No assurance can be given as to the impact of any possible judicial decision or change to English law or administrative practice after the date of this Offering Circular.

***Local insolvency laws may not be as favourable to the investor as the bankruptcy or insolvency laws of the jurisdiction with which the investor is familiar and may preclude Holders from recovering payments due on the Notes.***

The Issuer is incorporated under the laws of the Grand Duchy of Luxembourg and the Guarantors are incorporated under the laws of Malta. The insolvency laws of foreign jurisdictions may not be as favourable to the investor's interests as the laws of the jurisdictions with which the investor is familiar, including in respect of priority of creditors. The ability to obtain post-petition interest and the duration of the insolvency

proceedings may not be provided under the laws of foreign jurisdictions, and thus may limit the investor's ability to recover payments due on the Notes or under the Guarantee to an extent exceeding the limitations arising under other insolvency laws. In the event that the Issuer, the Guarantors or any other member of the Group experienced 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.

***Investors in the Notes must rely on Euroclear and Clearstream, Luxembourg procedures***

Notes issued under the Programme will be represented on issue by one or more Global Notes or Global Certificates that may be deposited with a common depository for Euroclear and Clearstream, Luxembourg. Except in the circumstances described in each Global Note or Global Certificate, investors will not be entitled to receive Notes in definitive form. Each of Euroclear and Clearstream, Luxembourg and their respective direct and indirect participants will maintain records of the beneficial interests in each Global Note or Global Certificate held through it. While the Notes are represented by a Global Note or Global Certificate, investors will be able to trade their beneficial interests only through the relevant clearing systems and their respective participants and the Issuer will discharge its payment obligations under the Notes by making payments through the relevant clearing systems. A holder of a beneficial interest in a Global Note or Global Certificate must rely on the procedures of the relevant clearing system and its participants in relation to payments under the Notes. The Issuer shall have no responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in any Global Note or Global Certificate.

Holders of beneficial interests in a Global Note or Global Certificate will not have a direct right to vote in respect of the Notes so represented. Instead, such holders will be permitted to act only to the extent that they are enabled by the relevant clearing system and its participants to appoint appropriate proxies.

***There may be discrepancies between registers of holders of the Notes.***

A register (the "**Register**") is kept at the specified office of the Registrar containing the names and addresses of the holders of the Notes and particulars of the Notes held by them and all transfers and redemptions of the Notes.

Pursuant to Luxembourg company law, the Issuer is obliged to maintain a register of the Notes at its registered office (the "**Issuer Register**"). Ownership in respect of the Notes (which are in registered form) is, according to Luxembourg company law, established by the relevant registration (inscription) in the Issuer Register. The Registrar has undertaken pursuant to the Agency Agreement to notify the Issuer as soon as reasonably practicable of any changes made to the Register to enable it to update the Issuer Register. Accordingly, the registrations in the Register should, in principle, match the recordings in the Issuer Register. However, there may be a delay in updating the Issuer Register and discrepancies in recordings cannot be excluded.

The Terms and Conditions of the Notes provide that, in the case of discrepancies between the Issuer Register and the Register, the Issuer Register shall prevail. It is generally held that the registrations made in the Issuer Register constitute a means to prove ownership in respect of the Notes. However, Luxembourg case law seems to admit that such registrations in the Issuer Register are not an irrebuttable presumption (*présomption irréfragable*) of title to the Notes and other registrations (such as the registrations made in the Register) could also serve as a means to prove ownership. As a result, it cannot be excluded that, in the case of discrepancies between the Register and the Issuer Register, a Luxembourg court would rule that the Register prevails over the Issuer Register. Certificates representing the Notes in registered form may be issued but they do not confer title to the Notes. Such certificates would also, in principle, not be conclusive evidence to prove ownership in respect of the Notes.

***A secondary market may not develop for any Notes.***

The Notes may have no established trading market when issued, and one may never develop. If a market for the Notes does develop, it may not be liquid and may be sensitive to changes in financial markets.

In addition, liquidity may be affected by a number of factors, including, but not limited to:

- the method of calculating the principal and interest in respect of the Notes;
- the time remaining to the maturity of the Notes;

- the outstanding amount of the Notes;
- the redemption features of the Notes; and
- the level, direction and volatility of market interest rates generally.

As a result, investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. This is particularly the case should the Issuer be in financial distress, which may result in any sale of the Notes having to be at a substantial discount to their principal amount or for the Notes that are especially sensitive to interest rate, currency or market risks, are designed for specific investment objectives or strategies or have been structured to meet the investment requirements of limited categories of investors. These types of Notes generally would have a more limited secondary market and more price volatility than conventional debt securities. The relative illiquidity of Notes may have a severely adverse effect on such Notes' market value.

***Credit ratings may not reflect all risks***

One or more independent credit rating agencies may assign credit ratings to the Issuer or any Notes. Any ratings of either the Issuer or the Notes may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of any Notes. There is no assurance that the ratings will remain in effect for any given period of time or that the ratings will not be lowered or withdrawn entirely if circumstances in the future so warrant.

Nevertheless, real or anticipated changes in the Issuer's credit ratings or the ratings of the Notes generally will affect the market value of the Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by its assigning rating agency at any time.

In general, European regulated investors are restricted under the CRA Regulation from using credit ratings for regulatory purposes, unless such ratings are issued by a credit rating agency established in the EU and registered under the CRA Regulation (and such registration has not been withdrawn or suspended). Such general restriction will also apply in the case of credit ratings issued by non-EU credit rating agencies, unless the relevant credit ratings are endorsed by an EU-registered credit rating agency or the relevant non-EU-registered rating agency is certified in accordance with the CRA Regulation (and such endorsement action or certification, as the case may be, has not been withdrawn or suspended). The list of registered and certified rating agencies published by the ESMA on its website in accordance with the CRA Regulation is not conclusive evidence of the status of the relevant rating agency included in such list, as there may be delays between certain supervisory measures being taken against a relevant rating agency and the publication of the updated ESMA list.

***Notes may be subject to exchange rate risks and exchange controls***

The Issuer has no control over factors that generally affect exchange rate risks, such as economic, financial and political events and the supply and demand for applicable currencies. In recent years, exchange rates between certain currencies have been volatile and such exchange rate volatility with a variety of currencies may continue in the future.

The Issuer will pay principal and interest on the Notes in the currency specified in the applicable Pricing Supplement (the "**Specified Currency**"). This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the "**Investor's Currency**") other than the Specified Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Specified Currency or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls which could adversely affect an applicable exchange rate. An appreciation in the value of the Investor's Currency relative to the Specified Currency would decrease (i) the Investor's Currency equivalent yield on the Notes, (ii) the Investor's Currency equivalent value of the principal payable on the Notes and (iii) the Investor's Currency equivalent market value of the Notes.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate or the ability of the Issuer to make payments in respect of the Notes. As a result, investors may receive less interest or principal than expected, or no interest or

principal at all. Even if there are no actual exchange controls, it is possible that the Specified Currency for any particular Note would not be available at such Note's maturity.

***The value of Fixed Rate Notes may be adversely affected by movements in market interest rates.***

Investment in Fixed Rate Notes involves the risk that if market interest rates subsequently increase above the rate paid on the Fixed Rate Notes, this will adversely affect the value of the Fixed Rate Notes.

***Notes which are issued at a substantial discount or premium are subject to increased volatility***

The market values of securities issued at a substantial discount or premium from their principal amount tend to fluctuate more in relation to general changes in interest rates than do prices for conventional interest-bearing securities. Generally, the longer the remaining term of the securities, the greater the price volatility as compared to conventional interest-bearing securities with comparable maturities.

***There may be transaction costs or charges in connection with the purchase or sale of the Notes.***

When the Notes are purchased or sold, several types of incidental costs (including transaction fees and commissions) are incurred in addition to the purchase or sale price of the Notes. Credit institutions as a rule charge commissions which are either fixed minimum commissions or pre-rate commissions, depending on the order value. To the extent that additional parties are involved in the execution of an order, including but not limited to domestic dealers or brokers in foreign markets, Holders may also be charged for the brokerage fees, commissions and other fees and expenses of such parties. These incidental costs may significantly reduce or eliminate any profit from holding the Notes.

## DOCUMENTS INCORPORATED BY REFERENCE

The following documents which have been published previously shall be incorporated by reference in, and form part of, this Offering Circular:

<b>Financial Information of the Issuer</b>	<b>Document</b>	<b>Pages</b>	<b>Webpage</b>
Audited opening balance sheet of the Issuer as of 13 March 2019	JML Finance (Luxembourg) S.à r.l.: Statement of financial position	1-2	www.juliusmeinlliving.com
Auditor's report on the audited opening balance sheet of the Issuer as of 24 April 2019	JML Finance (Luxembourg) S.à r.l.: Statement of financial position	3-4	www.juliusmeinlliving.com
<b>Financial Information of Julius Meintl Living plc</b>	<b>Document</b>	<b>Pages</b>	<b>Webpage</b>
Audited consolidated financial statements of Julius Meintl Living plc as of and for the year ended 31 December 2018	Julius Meintl Living plc: Report and consolidated financial statements	6-42	www.juliusmeinlliving.com
Auditor's report on the audited consolidated financial statements of Julius Meintl Living plc as of and for the year ended 31 December 2018	Julius Meintl Living plc: Report and consolidated financial statements	43-45	www.juliusmeinlliving.com
Audited consolidated financial statements of Julius Meintl Living plc as of 31 December 2017 and for the period 9 August 2016 to 31 December 2017	Julius Meintl Living plc: Report and consolidated financial statements	6-31	www.juliusmeinlliving.com
Auditor's report on the audited consolidated financial statements of Julius Meintl Living plc as of 31 December 2017 and for the period 9 August 2016 to 31 December 2017	Julius Meintl Living plc: Report and consolidated financial statements	32-34	www.juliusmeinlliving.com

The Issuer will, in the event of any significant new factor, material mistake or inaccuracy relating to information included in this Offering Circular which is capable of affecting the assessment of any Notes, prepare a supplement to this Offering Circular or publish a new offering circular for use in connection with any subsequent issue of Notes.

Following the publication of this Offering Circular, a supplement may be prepared by the Issuer and approved by the Luxembourg Stock Exchange. Statements contained in any such supplement (or contained in any document incorporated by reference therein) shall, to the extent applicable (whether expressly, by implication or otherwise), be deemed to modify or supersede statements contained in this Offering Circular or in a document which is incorporated by reference in this Offering Circular. Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of this Offering Circular.

All documents incorporated by reference will be published on the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)). Copies of documents incorporated by reference in this Offering Circular can be obtained free of charge from the registered office of the Issuer.

Any documents themselves incorporated by reference in the documents incorporated by reference in this Offering Circular shall not form part of this Offering Circular.

Any non-incorporated parts of a document referred to herein are either deemed not relevant for an investor or are otherwise covered elsewhere in this Offering Circular.

## OVERVIEW OF THE PROGRAMME

*This overview must be read as an introduction to this Offering Circular and any decision to invest in the Notes should be based on a consideration of this Offering Circular as a whole. Words and expressions defined in “Summary of Provisions relating to the Notes while in Global Form” and “Terms and Conditions of the Notes” herein, respectively, shall have the same meanings in this overview.*

<b>Issuer</b>	JML Finance (Luxembourg) S.à r.l.
<b>Guarantors</b>	Julius Meinl Living PLC (C76799) and Julius Meinl Living Holdings Limited (C76910)
<b>Description and Size</b>	<p>Guaranteed Debt Issuance Programme for issuance of secured Notes.</p> <p>€300,000,000 (or its equivalent in other currencies calculated in accordance with the provisions of the Programme Agreement) outstanding at any one time. The Issuer may increase the amount of the Programme at any time in accordance with the Programme Agreement.</p>
<b>Arranger</b>	Invest Securities
<b>Dealer</b>	<p>Invest Securities</p> <p>The Issuer may from time to time terminate the appointment of any Dealer under the Programme or appoint additional Dealers either in respect of one or more Tranche of Notes or in respect of the whole Programme.</p>
<b>Trustee</b>	BNY Mellon Corporate Trustee Services Limited
<b>Principal Paying Agent</b>	The Bank of New York Mellon, London Branch
<b>Registrar and Transfer Agent</b>	The Bank of New York Mellon SA/NV, Luxembourg Branch
<b>Method of Issue</b>	<p>The Notes will be issued in series (each, a “<b>Series</b>”) having one or more issue dates and on terms otherwise identical (or identical other than in respect of the first payment of interest), the Notes of each Series being intended to be interchangeable with all other Notes of that Series. Each Series may comprise one or more tranches of Notes (each, a “<b>Tranche</b>”) issued on the same or different issue dates. The specific terms of each Tranche (which will be completed, where necessary, with the relevant terms and conditions and, save in respect of the denominations, issue date, issue price, first payment of interest and nominal amount of the Tranche, will be identical to the terms of other Tranches of the same Series) will be completed in the Pricing Supplement which, for the purposes of that Tranche only, supplements the Terms and Conditions of the Notes and this Offering Circular and must be read in conjunction with this Offering Circular. The terms and conditions applicable to any particular Tranche of Notes are the Terms and Conditions of the Notes as supplemented, amended or replaced by the relevant Pricing Supplement.</p>
<b>Issue Price</b>	<p>Notes may be issued at any price on a fully paid basis, as specified in the Pricing Supplement. The price and amount of the Notes to be issued under the Programme will be determined by the Issuer and the relevant Dealer(s) at the time of issue in accordance with prevailing market conditions.</p>
<b>Form of Notes</b>	<p>Each Series of Notes will be issued in registered form only.</p> <p>The Global Notes will be exchangeable for Definitive Note Certificates</p>

(as defined herein) in the limited circumstances specified in the Global Notes.

## **Status of the Notes**

The Notes constitute direct, general, unconditional and secured obligations of the Issuer and which will at all times rank *pari passu* among themselves, save for such obligations as may be preferred by provisions of law that are both mandatory and of general application.

## **Security**

Subject to the terms of the security documents, each Series of Notes will be secured by:

### *Series Security*

- a first ranking Luxembourg law governed pledge over amounts standing to the credit of the relevant Interest Reserve Account (as defined in the Terms and Conditions of the Notes);

### *Programme Security*

- a first ranking Luxembourg law governed pledge over amounts standing to the credit of the Operating Bank Account (as defined in the Terms and Conditions of the Notes); and
- a first priority English law governed assignment of the Intercompany Loans.

The Trustee will hold the security package on trust for the benefit of Noteholders and the other Secured Parties on the terms and as set out in the Trust Deed, including that the Trustee will hold the Programme Security for the benefit of holders of all Notes issued from time to time under the Programme and the other Secured Parties who will share the security package described in the Trust Deed with holders of any other further securities issued from time to time by the Issuer if such further securities qualify to share such security in accordance with the Terms and Conditions and the Trust Deed, all as described further in the Terms and Conditions of the Notes. Under the terms of the Trust Deed, the security described above will become enforceable upon notice being given by the Trustee to the Issuer that the applicable Series of Notes is due and payable by reason of default howsoever described; or if an Event of Default occurs under the applicable Series of Notes and subsequently the relevant Series is declared immediately due and payable by way of notice; or if the Issuer shall have failed for more than 15 days to make payment in full of any amount due in respect of the redemption of any Notes when due and payable pursuant to the Conditions.

## **Clearing Systems**

Euroclear and Clearstream, Luxembourg, unless otherwise agreed, and such other clearing system as may be agreed between the Issuer, the Principal Paying Agent and the relevant Dealer(s).

## **Currencies**

Notes may be denominated in any currency or currencies, subject to compliance with all applicable legal, regulatory and central bank requirements.

## **Maturities**

Subject to compliance with all relevant laws, regulations, directives and/or central bank requirements, any maturity.

## **Denominations**

Notes will be issued in such denominations as may be specified in the relevant Pricing Supplement (the “**Specified Denomination**”), provided that, subject to the below, the Specified Denomination(s) shall not be less than €100,000 or its equivalent in another currency. For so

long as the Notes are represented by a Global Note, and the relevant clearing system(s) so permit, subject to the below, the Notes shall be tradeable only in the minimum authorised denomination of €100,000 or its equivalent in another currency and higher integral multiples €1000.

#### **Interest**

Notes may be interest-bearing or non interest-bearing (as set out in the relevant Pricing Supplement). Interest (if any) may accrue at a fixed rate or a floating rate.

#### **Redemption**

The relevant Pricing Supplement will specify the basis for calculating the redemption amounts payable.

#### **Credit Ratings**

Where a Tranche of Notes is rated, the applicable rating(s) will be specified in the relevant Pricing Supplement. Whether or not each credit rating applied for in relation to a relevant Tranche of Notes will be (a) issued by a credit rating agency established in the EEA and registered under the CRA Regulation, or (b) issued by a credit rating which is not established in the EEA by will be endorsed by a credit rating agency which is established in the EEA and registered under the CRA Regulation or (c) issued by a credit rating agency which is not established in the EEA but which is certified under the CRA Regulation will also be disclosed in the relevant Final Terms. The list of credit rating agencies registered and/or certified under the CRA Regulation is available on the ESMA website (<http://www.esma.europa.eu/page/list-registered-and-certified-CRAs>) (last updated 1 May 2018).

A credit rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by the assigning rating organisation.

#### **Taxation**

All payments of principal and interest in respect of the Notes will be made free and clear of withholding or deduction for any taxes, duties, assessments or governmental charges of whatsoever nature imposed, levied, collected, withheld or assessed by or within Luxembourg or any political subdivision or any authority thereof or therein having power to tax, unless such withholding or deduction is required by law.

In that event, the Issuer shall pay such amounts as will result in the receipt by the Noteholders of such amounts as would have been received by them if no such withholding or deduction has been required, subject to certain exceptions set out in Condition 12 (*Taxation*).

#### **Governing Law**

English law.

#### **Transfer Restrictions**

The offering and sale of Notes is subject to applicable laws and regulations including, without limitation, those of the United States, the United Kingdom and the European Union. See “*Subscription and Sale*”.

The Notes and the Guarantees have not been and will not be registered under the US Securities Act or any U.S. state securities law. Consequently, the Notes and the Guarantees may not be sold in the United States except pursuant to an exemption from or in a transaction not subject to the registration requirements of the Securities Act and any applicable state securities laws. See “*Subscription and Sale*”.

#### **Listing and Trading**

Application has been made to the Luxembourg Stock Exchange for



Notes issued under the Programme to be admitted to trading on the Luxembourg Stock Exchange's Euro MTF market and to be listed on the Official List of the Luxembourg Stock Exchange. The Notes may also be listed on such other or further stock exchange or stock exchanges (other than in respect of an admission to trading on any market in the EEA which has been designated as a regulated market for the purposes of the Prospectus Regulation, as amended) as may be agreed between the Issuer and the relevant Dealer in relation to each issue. Notes which are neither listed nor admitted to trading on any market may also be issued.

**Risk Factors**

Investing in the Notes involves a high degree of risk, which investors should ensure they fully understand. These include risks associated with the Issuer and risks relating to the Notes. See “*Risk Factors*”.

**Guarantee**

Noteholders will benefit from a guarantee by Julius Meinl Living PLC and Julius Meinl Living Holdings Limited.

**Status of the Guarantee**

The obligations of each Guarantor under the Guarantee constitute direct, general, unconditional, unsubordinated and unsecured obligations of each Guarantor and rank and will rank *pari passu*, without preference among themselves, with all other unsecured and unsubordinated obligations of each Guarantor, from time-to-time outstanding, save for such obligations as may be preferred by provisions of law both mandatory and of general application.

## FORM OF THE NOTES

### Form

Each Tranche of Notes will initially be represented by a Global Note or by Individual Note Certificates. A Global Note will be registered in the name of, and the Global Note Certificate will be delivered on or prior to the issue date of the relevant Tranche of Notes to (i) a Common Safekeeper (if the Global Note is intended to be held under the NSS) for the Relevant Clearing System or (ii) a Common Depositary (if the Global Note is intended to be a classic global note) on behalf of the Relevant Clearing System. Beneficial interests in a Global Note will be exchangeable for Individual Note Certificates, represented by Individual Note Certificates only in limited circumstances, as further described in the Conditions.

If the relevant Pricing Supplement specifies the form of Notes as being “**Individual Note Certificates**”, then the Notes will at all times be in the form of Individual Note Certificates issued to each Noteholder in respect of their respective holdings.

If the relevant Pricing Supplement specifies the form of Notes as being “**Global Note exchangeable for Individual Note Certificates**”, then the Notes will initially be in the form of a Global Note which will be exchangeable in whole, but not in part, for Individual Note Certificates:

- (i) on the expiry of such period of notice as may be specified in the relevant Pricing Supplement; or
- (ii) at any time, if so specified in the relevant Pricing Supplement; or
- (iii) if the relevant Pricing Supplement specifies “in the limited circumstances described in the Global Note”, then if (a) Euroclear or Clearstream, Luxembourg or any other Relevant Clearing System is closed for business for a continuous period of 14 days (other than by reason of legal holidays) or announces an intention permanently to cease business or (b) any of the circumstances described in Condition 12 (*Events of Default*) occurs.

Whenever the Global Note is to be exchanged for Individual Note Certificates, the Issuer shall procure that Individual Note Certificates will be issued in an aggregate principal amount equal to the principal amount of the Global Note within five business days of the delivery, by or on behalf of the registered holder of the Global Note to the Registrar of such information as is required to complete and deliver such Individual Note Certificates (including, without limitation, the names and addresses of the persons in whose names the Individual Note Certificates are to be registered and the principal amount of each such person’s holding) against the surrender of the Global Note at the Specified Office of the Registrar.

Such exchange will be effected in accordance with the provisions of the Agency Agreement and the regulations concerning the transfer and registration of Notes scheduled thereto and, in particular, shall be effected without charge to any holder, but against such indemnity as the Registrar may require in respect of any tax or other duty of whatsoever nature which may be levied or imposed in connection with such exchange.

### Terms and Conditions applicable to the Notes

The terms and conditions applicable to any Individual Note Certificate will be endorsed on that Individual Note Certificate and will consist of the terms and conditions set out under “Terms and Conditions of the Notes” below and the provisions of the relevant Pricing Supplement which completes and/or amends and/or replaces, those terms and conditions.

The terms and conditions applicable to any Global Note will differ from those terms and conditions which would apply to the Note were it represented by Individual Note Certificates to the extent described under “*Summary of Provisions Relating to the Notes while in Global Form*” below.

## DESCRIPTION OF THE SECURITY STRUCTURE

The following description does not purport to be complete and is taken from, and is qualified in its entirety by, the remainder of this Offering Circular and, in relation to the terms and conditions of any particular Tranche of Notes, the applicable Pricing Supplement.

### *Description of the relevant agreements relating to the Security provided under the Notes*

The Issuer will enter into the following agreements in order to create the following Security with the Trustee for the benefit of Noteholders for the Issuer's payment obligations under the Trust Deed and in respect of each Series of Notes:

#### *Series Security*

- the Issuer, as pledgor, will enter into a pledge agreement (the “**Interest Reserve Account Pledge Agreement**”), governed by Luxembourg law, with the Issuer granting a first ranking Luxembourg law governed pledge over the amounts standing to the credit of the relevant Interest Reserve Account held separately for each Series of Notes (as defined in the Supplemental Trust Deed and in the Annex to the Pricing Supplement).

#### *Programme Security*

- the Issuer, as pledgor, will enter into a pledge agreement (the “**Operating Account Pledge Agreement**”), governed by Luxembourg law, with the Issuer granting a first ranking Luxembourg law governed pledge over the amounts standing to the credit of the Operating Bank Account held as common Security to be shared across all Series of Notes.
- the Issuer will assign by way of security all of the Issuer's present and future rights under the Intercompany Loans (as defined in the Conditions) and certain future intercompany loans as common Security to be shared across all Series of Notes in favour of the Trustee by way of a Deed of Assignment governed by English law.

Notwithstanding the above, the Security shall be enforced (x) in relation to the enforcement of Series Security, following an instruction by the Series Controlling Party relating to the relevant Series of Notes and (y) in relation to the enforcement of Programme Security, following an instruction by the Programme Controlling Party. The instructions by a Series Controlling Party and/or the Programme Controlling Party may be provided in the same manner as a Written Resolution or Electronic Consent or at a Meeting of Noteholders called in accordance with the provisions of the Trust Deed, provided that the applicable majority/instructing group shall be as set forth in the definition of Series Controlling Party or the Programme Controlling Party, as applicable (in each case with evidence provided acceptable to the Trustee in relation to such applicable majority/instructing group).

The Issuer and Bank of New York Mellon SA/NV, Luxembourg Branch as account bank (the “**Account Bank**”) have also entered into an account bank agreement dated 25 July 2019, governed by Luxembourg law, and relating to the Interest Reserve Account and the Operating Bank Account (the “**Account Bank Agreement**”).

### *Description of the accounts*

The Operating Bank Account is a bank account in the name of the Issuer which is opened with the Account Bank as one account for all Series of Notes issued under the Programme into which the proceeds from the issuances of all Series of Notes shall be deposited (except such amounts that need to be deposited into the relevant Interest Reserve Account). From the Operating Bank Account, (i) the payments in respect of the Notes shall be made by the Issuer; (ii) the Intercompany Loans shall be made by the Issuer; and (iii) payments under the Intercompany Loans shall be made by the Issuer.

The Interest Reserve Account is a bank account in the name of the Issuer which is opened with the Account Bank separately for each Series of Notes issued under the Programme. In each Interest Reserve Account, the amount for payments of Interest Amount in respect of the relevant Series of Notes payable on the last two

interest payment dates immediately preceding the date of final redemption and/or maturity date of such Series of Notes, is paid by the Issuer from the proceeds of the issuance of the relevant Series of Notes.

***General Description of the Trustee***

BNY Mellon Corporate Trustee Services Limited (the “**Trustee**”) will be appointed pursuant to the Trust Deed as Trustee for the holders of the Notes.

The Trustee was formerly known as J.P. Morgan Corporate Trustee Services Limited. On 2nd October, 2006 the Trustee changed its name to BNY Corporate Trustee Services Limited and, subsequently, on the 1st March, 2011 the Trustee changed its name to BNY Mellon Corporate Trustee Services Limited.

The Trustee is a wholly owned subsidiary of BNY International Financing Corporation and administers a substantial and diverse portfolio of corporate trusteeships for both domestic and foreign companies and institutions.

The Trustee's registered office and principal place of business is at One Canada Square, London E14 5AL.

## ISSUE PROCEDURES

### General

The Issuer and the relevant Dealer will agree on the terms and conditions applicable to each particular Tranche of Notes (the “**Conditions**”). These Conditions will be constituted by the relevant set of terms and conditions of the Notes set out in the section entitled “*Terms and Conditions of the Notes*” (the “**Terms and Conditions**”) as completed by the Pricing Supplement (the “**Pricing Supplement**”) as described below.

### Sets of Terms and Conditions

A separate set of Terms and Conditions shall apply to each type of Notes, as set out below. The Pricing Supplement shall provide for the Issuer to choose among the following Options:

- Option I – Terms and Conditions for Notes with fixed interest rates; and
- Option II – Terms and Conditions for Notes with floating interest rates.

### Documentation of the Conditions

The Issuer shall document the Conditions in any of the following ways:

- The Pricing Supplement shall determine whether Option I or Option II and whether certain further options contained in Option I or Option II shall be applicable to the individual issue of Notes by replicating the relevant provisions of, and completing the relevant placeholders for Option I or Option II in the Pricing Supplement. The replicated and completed provisions of the set of Terms and Conditions alone shall constitute the Conditions (the “**Integrated Conditions**”). The Integrated Conditions shall be attached to each global note representing the Notes of the relevant Tranche. The Issuer shall document the Conditions in this way if the Notes shall be publicly offered, in whole or in part, or initially distributed, in whole or in part, to non-qualified investors.
- Alternatively, the Pricing Supplement shall determine whether Option I or Option II and whether certain further options contained in Option I or Option II shall be applicable to the individual issue of Notes by making reference to the specific sections of the relevant set of Terms and Conditions. The Pricing Supplement and the relevant set of Terms and Conditions, taken together, shall constitute the Conditions. The Pricing Supplement and the relevant set of Terms and Conditions shall be attached to each global note representing the Notes of the relevant Tranche.

### Determination of Options / Completion of Placeholders

The Pricing Supplement shall determine whether Option I or Option II shall be applicable to the individual issue of Notes. Each set of Terms and Conditions constituting Option I or Option II contains certain further options (characterised by indicating the respective optional provision through instructions and explanatory notes set out either on the left of or in square brackets within the text of the relevant set of Terms and Conditions as set out in this Offering Circular) as well as placeholders (characterised by square brackets which include the relevant items) which shall be determined by the Pricing Supplement as follows:

#### *Determination of Options*

The Issuer shall determine which options shall be applicable to the individual issue of Notes either by replicating the relevant provisions in the Pricing Supplement or by making reference in the Pricing Supplement to the relevant sections of the relevant set of Terms and Conditions. If the Pricing Supplement do not replicate or make reference to an alternative or optional provision (as set out in the relevant set of Terms and Conditions) such provision shall be deemed to have been deleted from the Terms and Conditions.

#### *Completion of Placeholders*

The Pricing Supplement shall specify the information completing the placeholders in the relevant set of Terms and Conditions. In case the provisions of the Pricing Supplement and the relevant set of Terms and Conditions, taken together, shall constitute the Conditions the relevant set of Terms and Conditions shall be

deemed to have been completed by the information contained in the Pricing Supplement as if such information were inserted in the placeholders of such provisions.

In that case, all instructions and explanatory notes and text set out in square brackets in the relevant set of Terms and Conditions and any footnotes and explanatory text set out in the Pricing Supplement shall be deemed to have been deleted from the Terms and Conditions.

## TERMS AND CONDITIONS OF THE NOTES

*The following are the Terms and Conditions of the Notes which, save for the wording in italics, as completed, supplemented, amended or replaced by the relevant Pricing Supplement, will be endorsed on each Definitive Note Certificate. The applicable Pricing Supplement may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with the following Terms and Conditions, replace or modify the following Terms and Conditions for the purpose of such Notes. The relevant Pricing Supplement (or relevant provisions thereof) will be endorsed upon or attached to each Global Note and Definitive Note Certificate. The Terms and Conditions of the Notes applicable to Global Notes will differ from those which would apply to Notes in definitive form to the extent described under “Summary of Provisions Relating to Notes in Global Form”.*

### 1. INTRODUCTION

JML Finance (Luxembourg) S.à r.l. (the “**Issuer**”) has established a secured Debt Issuance Programme (the “**Programme**”) for the issuance of up to EUR 300,000,000 in aggregate principal amount of notes (the “**Notes**”) outstanding. The Notes are constituted by a Trust Deed (such Trust Deed as modified and/or supplemented and/or restated from time to time, the “**Trust Deed**”) dated 25 July 2019 between the Issuer, Julius Meinl Living PLC, a public limited liability company registered under the laws of Malta with company registration number C76799, Julius Meinl Living Holdings Limited, a private limited liability company registered under the laws of Malta with company registration number C76910 (each a “**Guarantor**” and together, the “**Guarantors**”) and BNY Mellon Corporate Trustee Services Limited (the “**Trustee**”, which expression shall include all Persons for the time being the trustee or trustees under the Trust Deed) as trustee for the Noteholders (as defined below) and security trustee for the Secured Parties (as defined below). These terms and conditions include summaries of, and are subject to, the detailed provisions of the Trust Deed, which includes the forms of the Notes referred to below.

The Notes have the benefit of an Agency Agreement dated 25 July 2019 (such Agency Agreement as modified and/or supplemented and/or restated from time to time, the “**Agency Agreement**”) and made between the Issuer, the Trustee, The Bank of New York Mellon, London Branch as principal paying agent (the “**Principal Paying Agent**”, which expression includes any successor principal paying agent appointed from time to time in connection with the Notes), The Bank of New York Mellon SA/NV, Luxembourg Branch as registrar (the “**Registrar**”, which expression includes any successor registrar appointed from time to time in connection with the Notes), The Bank of New York Mellon SA/NV, Luxembourg Branch as transfer agent (the “**Transfer Agent**”, which expression includes any successor or additional transfer agent appointed from time to time in connection with the Notes) and the other agents named therein.

Below is a description of the pledges and assignments securing the payment obligations under the Trust Deed and in respect of the Notes:

#### *Series Security*

- (a) the Issuer shall, as pledgor, enter into a pledge agreement (the “**Interest Reserve Account Pledge Agreement**”), governed by Luxembourg law, with the Issuer granting a first ranking Luxembourg law governed pledge over amounts standing to the credit of the Interest Reserve Account held separately for each Series of Notes (as defined in the Supplemental Trust Deed and in the Annex to the Pricing Supplement);

#### *Programme Security*

- (b) the Issuer shall, as pledgor, enter into a pledge agreement (the “**Operating Account Pledge Agreement**”), governed by Luxembourg law, with the Issuer granting a first ranking Luxembourg law governed pledge over amounts standing to the credit of the Operating Bank Account held as common Security to be shared across all Series of Notes (as defined below); and

- (c) the Issuer will assign by way of security all of the Issuer’s present and future rights under the Intercompany Loans (as defined below) and certain future intercompany loans as common Security to be shared across all Series of Notes in favour of the Trustee by way of a Deed of Assignment governed by English law.

The enforcement of the Series Security is different from the enforcement of the Programme Security. The different mechanics of enforcement in each case are described in Condition 6.

The Issuer and The Bank of New York Mellon SA/NV, Luxembourg Branch, as account bank (the “**Account Bank**”) have also entered into an account bank agreement dated 25 July 2019, governed by Luxembourg law, and relating to the relevant Interest Reserve Account and the Operating Bank Account (the “**Account Bank Agreement**”).

Notes issued under the Programme will be issued in series (each, a “**Series**”) having one or more issue dates and on terms otherwise identical (or identical other than in respect of the first payment of interest), the Notes of each Series being intended to be interchangeable with all other Notes of that Series. Each Series may comprise one or more tranches of notes (each, a “**Tranche**”) issued on the same or different issue dates. The specific terms of each Tranche (which will, save in respect of the denominations, issue date, issue price, first payment of interest and nominal amount of the Tranche, will be identical to the terms of other Tranches of the same Series) will be set forth in the applicable Pricing Supplement (the “**Pricing Supplement**”), which should be read in conjunction with these terms and conditions. The terms and conditions applicable to any particular Tranche of Note are these terms and conditions, as completed, supplemented, amended or replaced by the relevant Pricing Supplement (together, the “**Terms and Conditions**”). In the event of any inconsistency between these terms and conditions and the relevant Pricing Supplement, the relevant Pricing Supplement shall prevail.

The final terms (or the relevant provisions thereof) are set out in the Pricing Supplement and may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with the Conditions, replace or modify the Conditions for the purposes of the Notes.

The Noteholders are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of the Trust Deed and are deemed to have notice of those provisions applicable to them of the Agency Agreement.

All subsequent references in these Terms and Conditions to “**Notes**” are to the Notes of the same Series. Copies of the Trust Deed, the Agency Agreement, the Account Bank Agreement, any Calculation Agency Agreement and any Pricing Supplement are available for inspection upon request during usual business hours at the principal office of the Trustee (presently at One Canada Square, London E14 5AL) and at the specified offices of the Paying Agents and the Transfer Agents.

## 2. DEFINITIONS AND INTERPRETATION

### 2.1 Definitions

Terms defined in the Trust Deed and the Pricing Supplement shall, unless otherwise defined herein or the context requires otherwise, bear the same meanings herein. In these Terms and Conditions the following expressions have the following meanings:

“**Account Pledge Agreements**” means the Operating Account Pledge Agreement and the relevant Interest Reserve Account Pledge Agreement;

“**Accrual Yield**” has the meaning given in the relevant Pricing Supplement;

“**Appointee**” has the meaning provided in the Trust Deed;

“**Broken Amounts**” has the meaning given in the relevant Pricing Supplement;

“**Business Centre(s)**” means the city or cities specified as such in the relevant Pricing Supplement;



**“Business Day”** means:

- (a) in the case of Euros, a TARGET Settlement Day;
- (b) in the case of a Specified Currency other than Euros, a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments in the principal financial centre for that currency; or
- (c) in the case of a Specified Currency or one or more Business Centre(s) specified in the relevant Pricing Supplement, a day (other than a Saturday or a Sunday) on which commercial banks and foreign exchange markets settle payments in such currency in the Business Centre(s) or, if no currency is indicated, generally in each of the Business Centres so specified;

**“Business Day Convention”**, in relation to any particular date, has the meaning given in the relevant Pricing Supplement and, if so specified in the relevant Pricing Supplement, may have different meanings in relation to different dates and, in this context, the following expressions shall have the following meanings:

- (a) **“Following Business Day Convention”** means that the relevant date shall be postponed to the first following day that is a Business Day;
- (b) **“Modified Following Business Day Convention”** or **“Modified Business Day Convention”** means that the relevant date shall be postponed to the first following day that is a Business Day unless that day falls in the next calendar month in which case that date will be the first preceding day that is a Business Day;
- (c) **“Preceding Business Day Convention”** means that the relevant date shall be brought forward to the first preceding day that is a Business Day;
- (d) **“FRN Convention”**, **“Floating Rate Convention”** or **“Eurodollar Convention”** means that each relevant date shall be the date which numerically corresponds to the preceding such date in the calendar month which is the number of months specified in the relevant Pricing Supplement as the Specified Period after the calendar month in which the preceding such date occurred provided, however, that:
  - (i) if there is no such numerically corresponding day in the calendar month in which any such date should occur, then such date will be the last day which is a Business Day in that calendar month;
  - (ii) if any such date would otherwise fall on a day which is not a Business Day, then such date will be the first following day which is a Business Day unless that day falls in the next calendar month, in which case it will be the first preceding day which is a Business Day; and
  - (iii) if the preceding such date occurred on the last day in a calendar month which was a Business Day, then all subsequent such dates will be the last day which is a Business Day in the calendar month which is the specified number of months after the calendar month in which the preceding such date occurred; and
- (e) **“No Adjustment”** means that the relevant date shall not be adjusted in accordance with any Business Day Convention;

**“Calculation Amount”** has the meaning given in the relevant Pricing Supplement;

**“Calculation Agent”** means the Principal Paying Agent or such other Person specified in the relevant Pricing Supplement as the party responsible for calculating the Rate(s) of Interest and Interest Amount(s) and such other amount(s) as may be specified in the relevant Pricing Supplement;

**“Calculation Agency Agreement”** means any agreement for the appointment of a Calculation Agent other than the Principal Paying Agent in respect of a Series of Notes between the Issuer and that Calculation Agent.

**“Day Count Fraction”** means (subject as provided in Condition 8 (*Interest*)), in respect of the calculation of an amount of interest for any Interest Period:

- (a) if “Actual/365” or “Actual/Actual (ISDA)” is specified in the relevant Pricing Supplement, the actual number of days in the Interest Period divided by 365 (or, if any portion of the Interest Period falls in a leap year, the sum of (i) the actual number of days in that portion of the Interest Period falling in a leap year divided by 366 and (ii) the actual number of days in that portion of the Interest Period falling in a non-leap year divided by 365);
- (b) if “Actual/365 (Fixed)” is specified in the relevant Pricing Supplement, the actual number of days in the Interest Period divided by 365;
- (c) if “Actual/360” is specified in the relevant Pricing Supplement, the actual number of days in the Interest Period divided by 360;
- (d) if “30/360”, “360/360” or “Bond Basis” is specified in the relevant Pricing Supplement, the number of days in the Interest Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with 12 30 day months (unless (i) the last day of the Interest Period is the 31st day of a month but the first day of the Interest Period is a day other than the 30th or 31st day of a month, in which case the month that includes that last day shall not be considered to be shortened to a 30 day month, or (ii) the last day of the Interest Period is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30 day month)); and
- (e) if “30E/360” or “Eurobond Basis” is specified in the relevant Pricing Supplement, the number of days in the Interest Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with 12 30 day months, without regard to the date of the first day or last day of the Interest Period unless, in the case of the final Interest Period, the Maturity Date is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30 day month);

**“Deed of Assignment”** means the deed governed by English law (as amended, restated and/or supplemented from time to time) containing the assignment by the Issuer of all its rights, title, interests and benefits under the Intercompany Loans to the Trustee as security for the payment of the amounts due in respect of the Trust Deed and the Notes;

**“Euro Exchange Date”** means the date on which the Issuer gives notice (the “**Euro Exchange Notice**”) to the Noteholders that replacement Notes denominated in Euros are available for exchange;

**“Financial Centre(s)”** means the city or cities specified as such in the relevant Pricing Supplement;

**“Fixed Coupon Amount”** has the meaning given in the relevant Pricing Supplement;

**“Guarantee”** means any guarantee of or indemnity in respect of Indebtedness or other like obligation or an obligation to pay such Indebtedness including (without limitation):

- (a) any obligation to purchase such Indebtedness;
- (b) any obligation to lend money, to purchase or subscribe shares or other securities or to purchase assets or services in order to provide funds for the payment of such Indebtedness;
- (c) any indemnity against the consequences of a default in the payment of such Indebtedness; and
- (d) any other agreement to be responsible for such Indebtedness;

**“Indebtedness”** means any indebtedness of any Person for money borrowed or raised including (without limitation) any indebtedness for or in respect of:

- (a) amounts raised by acceptance under any acceptance credit facility;

- (b) amounts raised under any note purchase facility;
- (c) the amount of any liability in respect of leases or hire purchase contracts which would, in accordance with applicable law and generally accepted accounting principles, be treated as finance or capital leases;
- (d) the amount of any liability in respect of any purchase price for assets or services the payment of which is deferred primarily as a means of raising finance or financing the acquisition of the relevant asset or service; and
- (e) amounts raised under any other transaction (including, without limitation, any forward sale or purchase agreement) having the commercial effect of a borrowing.

**“Independent Adviser”** means an independent financial institution of international repute or other independent financial adviser of recognised standing with relevant experience in the international capital markets, in each case appointed by the Issuer at its own expense.

**“Intercompany Loans”** means any and all intercompany loans from the Issuer as lender to Julius Meinel Living Holdings Limited and/or the Relevant Project Company as borrower pursuant to which the Issuer will loan to Julius Meinel Living Holdings Limited and/or the Relevant Project Company an amount from the proceeds of the issuance of the relevant Series of Notes pursuant to the relevant Intercompany Loan Agreement in accordance with the terms of the Deed of Assignment and the Conditions;

**“Intercompany Loan Agreement”** means any English law governed document or instrument under which the Issuer makes or agrees to make available a loan, grant credit or make any other financial arrangement having similar effect to Julius Meinel Living Holding Limited and/or the Relevant Project Company from the proceeds of the relevant Series of Notes (any such documents or instruments being as amended, novated, extended, supplemented and/or restated from time to time);

**“Interest Amount”** means, in relation to a Note and an Interest Period, the amount of interest payable in respect of that Note for that Interest Period;

**“Interest Commencement Date”** means the Issue Date of the Notes or such other date as may be specified as the Interest Commencement Date in the relevant Pricing Supplement;

**“Interest Determination Date”** has the meaning given in the relevant Pricing Supplement;

**“Interest Payment Date”** means the date or dates specified as such in, or determined in accordance with the provisions of, the relevant Pricing Supplement and, if a Business Day Convention is specified in the relevant Pricing Supplement:

- (a) as the same may be adjusted in accordance with the relevant Business Day Convention; or
- (b) if the Business Day Convention is the FRN Convention, Floating Rate Convention or Eurodollar Convention and an interval of a number of calendar months is specified in the relevant Pricing Supplement as being the Specified Period, each of such dates as may occur in accordance with the FRN Convention, Floating Rate Convention or Eurodollar Convention at such Specified Period of calendar months following the Interest Commencement Date (in the case of the first Interest Payment Date) or the previous Interest Payment Date (in any other case);

**“Interest Period”** means each period beginning on (and including) the Interest Commencement Date or any Interest Payment Date and ending on (but excluding) the next Interest Payment Date;

**“Interest Reserve Account”** has the meaning given to it in the Pricing Supplement in respect of the relevant Series of Notes and the Trust Deed (as amended and/or supplemented);

**“ISDA Definitions”** means the 2000 ISDA Definitions (as supplemented by the Annex to the 2000 ISDA Definitions and as further amended and updated as of the Issue Date of the first Tranche

of the Notes of the relevant Series) as published by the International Swaps and Derivatives Association, Inc. (formerly the International Swap Dealers Association, Inc.);

“**Issue Date**” has the meaning given in the relevant Pricing Supplement;

“**Margin**” has the meaning given in the relevant Pricing Supplement;

“**Maturity Date**” has the meaning given in the relevant Pricing Supplement;

“**Net Debt**” means the sum of bank borrowings and debt securities in issue minus cash and cash equivalents, all as set out in the consolidated financial statements of Julius Meisl Living PLC;

“**Operating Bank Account**” means the Euroaccount held by the Issuer with the Account Bank pursuant to the Account Bank Agreement (or such replacement account as the Trustee may approve from time to time);

“**Participating Member State**” means a Member State of the European Communities which adopts the Euro as its lawful currency in accordance with the Treaty;

“**Paying Agents**” means the Principal Paying Agent and any other paying agent appointed under the Agency Agreement;

“**Payment Business Day**” means:

- (a) if the currency of payment is Euros, any day which is:
  - (i) a day on which banks in the relevant place of presentation are open for presentation and payment of bearer debt securities and for dealings in foreign currencies; and
  - (ii) in the case of payment by transfer to an account, a TARGET Settlement Day and a day on which dealings in foreign currencies may be carried on in each (if any) Financial Centre; or
- (b) if the currency of payment is not Euros, any day which is:
  - (i) a day on which banks in the relevant place of presentation are open for presentation and payment of bearer debt securities and for dealings in foreign currencies; and
  - (ii) in the case of payment by transfer to an account, a day on which dealings in foreign currencies may be carried on in the Principal Financial Centre of the currency of payment and in each (if any) Financial Centre;

“**Person**” means any individual, company, corporation, firm, partnership, joint venture, association, unincorporated organisation, trust or other judicial entity, including, without limitation, any state or agency of a state or other entity, whether or not having separate legal personality;

“**Portfolio Value**” means the aggregate fair market value sum of all assets of the Issuer, the Guarantors, their group companies and related parties, as determined by an independent valuator appointed by the Issuer, such as Cushman and Wakefield, and excluding cash, cash equivalents and tax assets within current assets. In relation to development real estate assets, “fair market value” shall be taken to mean “net development value”. The value of all real estate assets shall be calculated in accordance with the standards of the Royal Institute of Chartered Surveyors (RICS), as set out from time to time in their “Red Book” or any successor document;

“**Principal Financial Centre**” means, in relation to any currency, the principal financial centre for that currency provided, however, that in relation to Euros, it means the principal financial centre of such Member State of the European Communities as is selected (in the case of a payment) by the payee or (in the case of a calculation) by the Calculation Agent;

“**Programme Controlling Party**” means for all the combined Series of Notes outstanding under the Programme, the Noteholders which together, in the aggregate, hold more than 50% of the aggregate principal amount of all Series of Notes outstanding under the Programme;

**“Programme Secured Parties”** means the Trustee, any receiver or other Appointee, the Noteholders of all Series of Notes, the Paying and Transfer Agents, the Account Bank, any Calculation Agent and the Registrar;

**“Rate of Interest”** means the rate or rates (expressed as a percentage per annum) of interest payable in respect of the Notes specified in relevant Pricing Supplement or calculated or determined in accordance with the provisions of these Terms and Conditions and the relevant Pricing Supplement;

**“Redemption Amount”** has the meaning given in the relevant Pricing Supplement;

**“Reference Banks”** means the four major banks selected by the Issuer in the market that is most closely connected with the Reference Rate;

**“Reference Price”** has the meaning given in the relevant Pricing Supplement;

**“Reference Rate”** means one of the following benchmark rates (as specified in the relevant Pricing Supplement);

(a) London Interbank Offered Rate (LIBOR); or

(b) Euro Interbank Offered Rate (EURIBOR);

**“Relevant Date”** means, in relation to any payment, whichever is the later of (a) the date on which the payment in question first becomes due and (b) if the full amount payable has not been received in the Principal Financial Centre of the currency of payment by the Principal Paying Agent on or prior to such due date, the date on which (the full amount having been so received) notice to that effect has been given to the Noteholders;

**“Relevant Jurisdiction”** means Luxembourg or any political subdivision or any authority thereof or therein having power to tax (in the case of payments by the Issuer) or Malta or any political subdivision or any authority thereof or therein having power to tax (in the case of payments by the Guarantors);

**“Relevant Project Company”** has the meaning given in the Deed of Assignment and/or the relevant Pricing Supplement;

**“Relevant Screen Page”** means the page, section or other part of a particular information service (including, without limitation, the Reuters Markets 3000 Money Rates Service and Bloomberg) specified as the Relevant Screen Page in the relevant Pricing Supplement, or such other page, section or other part as may replace it on that information service or such other information service, in each case, as may be nominated by the Person providing or sponsoring the information appearing there for the purpose of displaying rates or prices comparable to the Reference Rate;

**“Reserved Matter”** means any proposal to change any date fixed for payment of principal or interest in respect of the Notes, to reduce the amount of principal or interest payable on any date in respect of the Notes, to alter the method of calculating the amount of any payment in respect of the Notes or the date for any such payment (other than any change made in accordance with Condition 8.8), to change the currency of any payment under the Notes or to change the quorum requirements relating to meetings or the majority required to pass an Extraordinary Resolution;

**“Secured Parties”** means Series Secured Parties and Programme Secured Parties, each a **“Secured Party”**, provided that such term will not include the Issuer and/or the Guarantors;

**“Security Documents”** means the Deed of Assignment, the Interest Reserve Account Pledge Agreement and the Operating Account Pledge Agreement and any other agreement or instrument from time to time governing a grant of a security interest permitted under the Trust Deed and the Terms and Conditions to secure the obligations under the Notes;

**“Security Interest”** means any mortgage, charge, pledge, lien, security interest or other encumbrance securing any obligation of any Person or any other type of preferential arrangement having similar effect over any assets or revenues of such Person;

“**Series Controlling Party**” means in respect of Series Security for a specific Series of Notes, the Noteholders of such Series of Notes which together, in the aggregate, hold more than 50% of the outstanding principal amount of such Series of Notes;

“**Series Secured Parties**” means the Trustee, any receiver or other Appointee, the Noteholders of the applicable Series of Notes only, the Paying and Transfer Agents, the Account Bank, any Calculation Agent and the Registrar;

“**Specified Currency**” has the meaning given in the relevant Pricing Supplement;

“**Specified Denomination(s)**” has the meaning given in the relevant Pricing Supplement;

“**Specified Interest Payment Date**” has the meaning given in the relevant Pricing Supplement;

“**Specified Office**” has the meaning given in the Agency Agreement;

“**Specified Period**” has the meaning given in the relevant Pricing Supplement;

“**Supplemental Trust Deed**” means a supplemental trust deed entered into by the Issuer, the Guarantors and the Trustee, as the case may be, in relation to any Series of Notes (and includes the Conditions for such Series);

“**TARGET System**” means the Trans European Automated Real Time Gross Settlement Express Transfer (TARGET) System 2 or any successor thereto;

“**TARGET Settlement Day**” means any day on which the TARGET System is open;

“**Total Assets**” means the total assets, as set out in the consolidated financial statements of Julius Meinl Living PLC;

“**Transaction Documents**” means the Trust Deed, the Agency Agreement, the Security Documents, any Calculation Agency Agreement, any Pricing Supplement and the Account Bank Agreement, as the same may be amended, modified, supplemented and/or restated from time to time;

“**Treaty**” means the Treaty establishing the European Communities, as amended; and

“**Zero Coupon Note**” means a Note specified as such in the relevant Pricing Supplement.

## 2.2 Interpretation

In these Terms and Conditions:

- (a) any reference to principal shall be deemed to include the Redemption Amount, any additional amounts in respect of principal which may be payable under Condition 12 (*Taxation*), any premium payable in respect of a Note and any other amount in the nature of principal payable pursuant to these Terms and Conditions;
- (b) any reference to interest shall be deemed to include any additional amounts in respect of interest which may be payable under Condition 12 (*Taxation*) and any other amount in the nature of interest payable pursuant to these Terms and Conditions;
- (c) references to Notes being “outstanding” shall be construed in accordance with the Trust Deed; and
- (d) if an expression is stated in Condition 2.1 (*Definitions*) to have the meaning given in the relevant Pricing Supplement, but the relevant Pricing Supplement gives no such meaning or specifies that such expression is “not applicable” then such expression is not applicable to the Notes.

## 3. FORM, DENOMINATION AND TITLE

The Notes are issued in registered form in the Specified Denomination(s) shown in the relevant

Pricing Supplement, without interest coupons, provided that:

- (a) the Specified Denomination(s) shall not be less than €100,000 or its equivalent in another currency; and
- (b) Notes (including Notes denominated in Sterling) which have a maturity of less than one year and in respect of which the issue proceeds are to be accepted by the Issuer in the United Kingdom or whose issue otherwise constitutes a contravention of section 19 of the FSMA will have a minimum denomination of £100,000 (or its equivalent in another currency).

Title to the Notes shall pass by registration in the register that the Issuer shall procure to be kept by the Registrar in accordance with the provisions of the Agency Agreement (the “**Register**”). Except as ordered by a court of competent jurisdiction or as required by law, the holder of any Note shall be deemed to be and may be treated as its absolute owner for all purposes whether or not it is overdue and regardless of any notice of ownership, trust or an interest in it, any writing on it or its theft or loss and no person shall be liable for so treating the holder.

## **4. TRANSFERS OF NOTES**

### **4.1 Transfer**

One or more Notes may be transferred, in whole or in part in the Specified Denominations set out in the applicable Pricing Supplement and subject to the minimum transfer amounts specified therein, upon the surrender (at the specified office of the Registrar or any Transfer Agent) of the relevant Note or Notes, together with the form of transfer endorsed on such Note or Notes (or another form of transfer substantially in the same form and containing the same representations and certifications (if any), unless otherwise agreed by the Issuer), duly completed and executed and any other evidence as the Registrar or the relevant Transfer Agent (as applicable) may reasonably require, including for the purposes of establishing title to the relevant Note, and the identity of the person making the request. In the case of a transfer of part only of a holding of a Note, a new Note shall be issued to the transferee in respect of the part transferred and a further new Note in respect of the balance of the holding not transferred shall be issued to the transferor. All transfers of Notes and entries on the Register will be made subject to the detailed regulations concerning transfers of Notes scheduled to the Agency Agreement. A copy of the current regulations will be made available by the Registrar or any Transfer Agent to any Noteholder upon request.

### **4.2 Delivery**

Each new Note to be issued pursuant to Condition 4.1 (*Transfer*) shall be available for delivery within five business days of receipt of the form of transfer and surrender of the Note for exchange. Delivery of the new Note(s) shall be made at the specified office of the Registrar or the relevant Transfer Agent (as the case may be) to whom delivery or surrender of such form of transfer or Note shall have been made or, at the option of the holder making such delivery or surrender as aforesaid and as specified in the relevant form of transfer or otherwise in writing, be mailed by uninsured post at the risk of the holder entitled to the new Note to such address as may be so specified, unless such holder requests otherwise and pays in advance to the Registrar or the relevant Transfer Agent the costs of such other method of delivery and such insurance as it may specify. In this Condition 4.2, “**business day**” means a day, other than a Saturday or Sunday, on which banks are open for business in the place of the specified office of the Registrar or the relevant Transfer Agent (as the case may be).

### **4.3 No Charge**

Transfers of Notes shall be effected without charge by or on behalf of the Issuer, the Registrar or any Transfer Agent, but upon payment of any tax or other governmental charges that may be imposed in relation to it (or the giving of such indemnity and security as the Registrar or the relevant Transfer Agent may require).

#### 4.4 Restrictions on Transfer

No Noteholder may require the transfer of a Note to be registered during the period of 15 days ending on the due date for redemption of, or payment of any interest amount in respect of that Note.

### 5. STATUS AND GUARANTEE

- (a) The Notes constitute direct, general, unconditional and secured obligations of the Issuer and which will at all times rank *pari passu* among themselves, save for such obligations as may be preferred by provisions of law that are both mandatory and of general application.
- (b) The Guarantors have, in the Trust Deed, unconditionally and irrevocably guaranteed the due and punctual payment of all sums from time to time payable by the Issuer in respect of the Notes. That guarantee (the “**Guarantee**”) constitutes the direct, unconditional and unsecured obligations of the Guarantors and ranks and will rank *pari passu*, without preference among themselves, with all other unsecured obligations of the Guarantors, save for such obligations as may be preferred by provisions of law that are both mandatory and of general application.

### 6. SECURITY ARRANGEMENTS

#### 6.1 Security

(a) *Series Security*

The obligations of the Issuer under, or in connection with, each separate Series of Notes, the Trust Deed and the other Transaction Documents for such Series of Notes are secured in favour of the Trustee (for itself and as trustee for the benefit of the relevant Series Secured Parties in respect of such Series of Notes only) by a first ranking Luxembourg law governed pledge over the amounts standing to the credit of the relevant Interest Reserve Account pursuant to the Interest Reserve Account Pledge Agreement and the Supplemental Trust Deed (such property, the “**Series Secured Property**” and the security created thereby, the “**Series Security**”).

(b) *Programme Security*

The obligations of the Issuer under, or in connection with, all Series of Notes, the Trust Deed and the other Transaction Documents are secured as common security in favour of the Trustee (for itself and as trustee for the benefit of the other Programme Secured Parties in respect of all Series of Notes) as follows:

- (i) by a first ranking Luxembourg law governed pledge over the amounts standing to the credit of the Operating Bank Account pursuant to the Operating Account Pledge Agreement; and
- (ii) by a first priority English law governed assignment pursuant to the Deed of Assignment by way of security of the Issuer’s present and future rights title, interest, benefits and claims under the Intercompany Loans and certain future intercompany loans including, inter alia, all the Issuer’s rights, title and interest for payment of principal and interest under the Intercompany Loans,

such property, the “**Programme Secured Property**” (and, together with the Series Secured Property, the “**Secured Property**”) and the security created thereby, the “**Programme Security**” (and together with the Series Security, the “**Security**”).

The Trustee has entered into or will enter into the Security Documents relating to each of the pledges and assignments set forth above with the other relevant parties thereto. These pledges and assignments, as the case may be, secure the payment and performance when due of all of the obligations of the Issuer and the Guarantors under the Trust Deed, the Notes and any Guarantee as provided in the relevant Security Document.



For the avoidance of doubt, until the occurrence of an event for enforcement of Security referred to in the Trust Deed, the Issuer shall have the right to operate the Operating Bank Account and to dispose of the Secured Property in any manner that is not prohibited by the terms of the Transaction Documents and any withdrawal from the Operating Bank Account or any such disposal shall be automatically released from the Security without any requirement for the consent or any other action by or from the Trustee. Neither the Trustee, the Account Bank or any Agent shall be liable or responsible for monitoring the Account or be liable or responsible for any withdrawal or the disposal of Secured Property from the Account.

## **6.2 Security Covenants**

- (a) Other than as required under Condition 6.4 and the Trust Deed, or otherwise in accordance with the Transaction Documents and these Conditions, so long as any Note remains outstanding, save with the prior written consent of the Trustee or as approved by an Extraordinary Resolution of the Noteholders or as expressly contemplated or permitted in any of the Transaction Documents, the Issuer will not:
  - a) create or permit to subsist any Security Interest upon all or any of the Secured Property; or
  - b) transfer, sell, lend, part with or otherwise dispose of or grant any option or present or future right to acquire (except to the extent granted subject to the Security such that the interests of Noteholders will not be materially prejudiced thereby) any of the Secured Property; or
  - c) permit any of the Transaction Documents to be amended, terminated, postponed or discharged, or consent to any variation of, or exercise of any powers of consent or waiver pursuant to any of the Transaction Documents, or permit any party to any of the Transaction Documents or any other person whose obligations form part of the Security to be released from such obligations.
- (b) The Trustee shall only give its consent to the foregoing if it is satisfied that the interests of Noteholders will not be materially prejudiced thereby.

### 6.3 Enforcement of Security

Subject to the provisions of the Trust Deed and the Transaction Documents, all or any of the Security shall become enforceable if an Event of Default has occurred and is continuing in accordance with Condition 13.

#### Series Security

At all times in accordance with the Transaction Documents, upon the Series Security becoming enforceable pursuant to this Condition 6.3, the Trustee may at any time, at its discretion and without further notice or formality and if it instructed by the relevant Series Controlling Party (subject in each case to being indemnified and/or secured and/or prefunded to its satisfaction), institute such proceedings as it thinks fit to enforce its rights under the Trust Deed and under the other Transaction Documents to enforce all or any of the Series Security in respect of such Series of Notes only.

#### Programme Security

At all times in accordance with the Transaction Documents, upon the Programme Security becoming enforceable pursuant to this Condition 6.3, the Trustee may at any time, at its discretion and without further notice or formality and if it instructed by the Programme Controlling Party (subject in each case to being indemnified and/or secured and/or prefunded to its satisfaction), institute such proceedings as it thinks fit to enforce its rights under the Trust Deed and under the other Transaction Documents to enforce all or any of the Programme Security.

### 6.4 Release of Security

The Transaction Documents contain provisions for the release from the Security without consent or any other action by the Trustee of the following, in each case until such time as the Security shall become enforceable pursuant to Condition 6.3:

- (a) any amounts to be released from the relevant Interest Reserve Account for any and all payments pursuant to and in accordance with Condition 8 (*Interest*) having been credited to such account by the Issuer or otherwise credited to such account for the purpose of making payments on the last two Interest Payment Dates in respect of the relevant Series of Notes;
- (b) any amounts to be released from the Operating Bank Account for any and all payments in any manner that is not prohibited by the Conditions and/or the terms of the Transaction Documents, including but not limited to, making payments in respect of the Notes outstanding under the Programme, making Intercompany Loans and making payments under the Intercompany Loans;
- (c) an amount from the relevant Interest Reserve Account with the prior written consent of the Trustee (acting on the advice of recognised tax counsel or tax advisers in Malta, Luxembourg, the United Kingdom, as the case may be, or (in each case) any authority therein or thereof having power to tax (each a “**Tax Jurisdiction**”), which advice shall be provided at the expense of the Issuer), to the extent that the relevant withholding or deduction in respect of which such amount has been credited to such account is no longer required by law to be made in the relevant Tax Jurisdiction.

## 7. COVENANTS

- (a) So long as any Note remains outstanding:
  - i) the Net Debt of Julius Meinl Living PLC shall not exceed:
    - (A) at any time, 70% of the Portfolio Value; and
    - (B) 65% of the Portfolio Value for a period of more than twelve (12) months;

at the end of the period for which the latest Audited Financial Statements are prepared, and the Issuer shall notify the Noteholders in accordance with Condition 19 of each such Net Debt calculation by no later than the second London business day after its determination of Net Debt, such determination being made on the date on which the latest Audited Financial Statements are published. Prior to such notification, the Issuer shall deliver to the Trustee a certificate signed by two directors of the Issuer certifying the determination of the Net Debt and certify as to whether or not such determination is in compliance with this Condition 7(a) and the Trustee shall be entitled to accept such certificate without any liability to any person for so doing and without further investigation.

- ii) the Issuer will transfer to Julius Meinl Living Holdings Limited and/or the Relevant Project Company, and will procure that Julius Meinl Living Holdings Limited will transfer to Relevant Project Company, some or all of the net subscription monies received from the issue and offer of the Notes (with any balance remaining with the Issuer in the Operating Bank Account) and pledge to the Trustee, for the benefit of the Trustee, the Noteholders and the other Secured Parties, its rights against Julius Meinl Living Holdings Limited and/or the Relevant Project Company (as the case may be) under, and claims for payment of principal and interest with respect to, the relevant Intercompany Loan Agreement;
- iii) the Issuer will not, and will procure that Julius Meinl Living Holdings Limited does not open, maintain or hold any interest in, and will procure that the Relevant Project Company will not open, maintain or hold any interest, in each case directly or indirectly, in any account whatsoever with any bank or financial institution except for the charged accounts described above, unless the Issuer or the Relevant Project Company, respectively, grant a first-ranking security interest, satisfactory to the Trustee, over the respective account in favour of the Trustee, for the benefit of the Trustee, the Noteholders and the other Secured Parties, provided that such a restriction applies only if (i) any interests opened, maintained or held in each such account, individually and not in aggregate, exceed €5,000,000 (or its equivalent in any other currency or currencies) and (ii) if the interests are opened, maintained or held in accounts which are not opened, maintained or held by the Issuer, Julius Meinl Living Holdings Limited or any of the subsidiaries of the Issuer or Julius Meinl Living Holdings Limited;
- iv) the Issuer will not, directly or indirectly, (i) make or pay dividends or any other distributions on its share capital or (ii) make any principal payment on or with respect to, or repurchase, redeem, defease or otherwise acquire or retire for value, prior to the stated maturity thereof, any Indebtedness of the Issuer or Julius Meinl Living PLC that is expressly contractually subordinated in right of payment to the Notes or to any Guarantee (excluding any intercompany Indebtedness between or among the Issuer and/or any of the subsidiaries), except (x) a payment of principal at the stated maturity thereof or (y) the repurchase, redemption or other acquisition of Indebtedness in anticipation of satisfying a sinking fund obligation, principal installment or scheduled maturity, in each case due within one year of the date of such repurchase, redemption or other acquisition;
- v) Julius Meinl Living PLC will not pay any dividend or make any other payment or distribution (including any payment in connection with any merger or consolidation involving any of the Guarantors) on or with respect to any and all of its shares, interests (including partnership interests), rights to purchase, warrants, options, participations or other equivalents of or interests in (however designated) equity of Julius Meinl Living PLC, including any preferred stock, whether now outstanding or issued after the Issue Date (“**Capital Stock**”), including without limitation, all series and classes of such Capital Stock but excluding any debt securities convertible into such equity or to the holders thereof (in their capacity as

such) other than dividends or distributions by Julius Meinl Living PLC payable solely in shares of its Capital Stock or in options, warrants or other rights to acquire such shares of Capital Stock. (each such payments and other actions set forth in this Condition 7(a)(v) referred to as a “**Restricted Payment**”), unless, at the time of giving effect to such Restricted Payment:

- (A) no Default or Event of Default has occurred and is continuing or would occur as a consequence of such Restricted Payment;
  - (B) Julius Meinl Living PLC has raised EUR 40,000,000 in New Equity; and
  - (C) Julius Meinl Living PLC is rated at least “BB” or the equivalent thereof by S&P, or “Ba2” or the equivalent thereof by Moody’s or the equivalent rating category of another internationally recognised rating agency.
- (b) Condition 7(a)(v) shall not prohibit:
- a) the payment of any dividend or any other payment or distribution (including any payment in connection with any merger or consolidation involving, the Guarantors) on or with respect to its Capital Stock or to the holders thereof (in their capacity as such) by Julius Meinl Living PLC within 60 days after the date of declaration or the giving of notice thereof if, at said date of declaration or the giving of notice, such payment would have complied with the provisions of these Conditions;
  - b) the payment of dividends or other payment or distribution on redeemable Capital Stock; or
  - c) dividends paid by Julius Meinl Living PLC by way of cancellation of, or netting against amounts due under, financial indebtedness owed by any holder of the Capital Stock of Julius Meinl Living PLC.

(c) **Financial Reporting**

For so long as any Note remains outstanding, Julius Meinl Living PLC shall publish on its website, as soon as practicable following the relevant reporting date, but in any event within 180 days after the end of each of its financial years, its audited consolidated financial statements for that financial year (“**Audited Financial Statements**”);

- (d) In calculating the Net Debt and/or Portfolio Value under Condition 7(a)(i) or any element thereof for any period, calculations will be made in good faith by a reputable real estate valuer, accounting adviser or financial adviser appointed by the Issuer or a Guarantor.

## **8. INTEREST**

**8.1 Interest on Fixed Rate Notes:** Each Fixed Rate Note bears interest on its outstanding principal amount from (and including) the Interest Commencement Date at the rate(s) per annum (expressed as a percentage) equal to the Rate(s) of Interest, such interest being payable in arrear on each Interest Payment Date. The amount of interest payable shall be determined in accordance with Condition 8.5.

If a Fixed Coupon Amount or a Broken Amount is specified in the Pricing Supplement, the amount of interest payable per Calculation Amount on each Interest Payment Date will amount to the Fixed Coupon Amount or, if applicable, the Broken Amount so specified and in the case of the Broken Amount will be payable on the particular Interest Payment Date(s) specified in the Pricing Supplement.

## 8.2 Interest on Floating Rate Notes:

- a) *Interest Payment Dates:* Each Floating Rate Note bears interest on its outstanding principal amount from the Interest Commencement Date at the rate per annum (expressed as a percentage) equal to the Rate of Interest, such interest being payable in arrear on each Interest Payment Date. The amount of interest payable shall be determined in accordance with Condition 8.5. Such Interest Payment Date(s) is/are either shown in the Pricing Supplement as Specified Interest Payment Dates or, if no Specified Interest Payment Date(s) is/are shown in the Pricing Supplement, Interest Payment Date shall mean each date which falls the number of months or other period shown in the Pricing Supplement as the Interest Period after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.
- b) *Business Day Convention:* If any date referred to in these Conditions that is specified to be subject to adjustment in accordance with a Business Day Convention would otherwise fall on a day that is not a Business Day, then, if the Business Day Convention specified is (A) the Floating Rate Business Day Convention, such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event (x) such date shall be brought forward to the immediately preceding Business Day and (y) each subsequent such date shall be the last Business Day of the month in which such date would have fallen had it not been subject to adjustment, (B) the Following Business Day Convention, such date shall be postponed to the next day that is a Business Day, (C) the Modified Following Business Day Convention, such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event such date shall be brought forward to the immediately preceding Business Day or (D) the Preceding Business Day Convention, such date shall be brought forward to the immediately preceding Business Day.
- c) *Rate of Interest for Floating Rate Notes:* The Rate of Interest in respect of Floating Rate Notes for each Interest Accrual Period shall be determined in the manner specified in the Pricing Supplement and the provisions below relating to either ISDA Determination or Screen Rate Determination shall apply, depending upon which is specified in the Pricing Supplement:

(A) ISDA Determination for Floating Rate Notes

Where ISDA Determination is specified in the Pricing Supplement as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Accrual Period shall be determined by the Calculation Agent as a rate equal to the relevant ISDA Rate. For the purposes of this sub-paragraph (A), “**ISDA Rate**” for an Interest Accrual Period means a rate equal to the Floating Rate that would be determined by the Calculation Agent under a Swap Transaction under the terms of an agreement incorporating the ISDA Definitions and under which:

(x) the Floating Rate Option is as specified in the Pricing Supplement

(y) the Designated Maturity is a period specified in the Pricing Supplement and

(z) the relevant Reset Date is the first day of that Interest Accrual Period unless otherwise specified in the Pricing Supplement.

For the purposes of this sub-paragraph (A), “**Floating Rate**”, “**Calculation Agent**”, “**Floating Rate Option**”, “**Designated Maturity**”, “**Reset Date**”

and “**Swap Transaction**” have the meanings given to those terms in the ISDA Definitions.

(B) Screen Rate Determination for Floating Rate Notes

Where Screen Rate Determination is specified in the Pricing Supplement as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Accrual Period shall be determined by the Calculation Agent at or about the Relevant Time on the Interest Determination Date in respect of such Interest Accrual Period in accordance with the following:

(x) if the Primary Source for Floating Rate is a Page, subject as provided below, the Rate of Interest shall be:

(I) the Relevant Rate (where such Relevant Rate on such Page is a composite quotation or is customarily supplied by one entity); or

(II) the arithmetic mean of the Relevant Rates of the Persons whose Relevant Rates appear on that Page,

in each case appearing on such Page at the Relevant Time on the Interest Determination Date;

(y) if the Primary Source for the Floating Rate is Reference Banks or if subparagraph (x)(I) applies and no Relevant Rate appears on the Page at the Relevant Time on the Interest Determination Date or if subparagraph (x)(II) above applies and fewer than two Relevant Rates appear on the Page at the Relevant Time on the Interest Determination Date, subject as provided below, the Rate of Interest shall be the arithmetic mean of the Relevant Rates that two or more of the Reference Banks are quoting to leading banks in the Relevant Financial Centre at the Relevant Time on the Interest Determination Date, (such Relevant Rates to be obtained by the Issuer and notified to the Calculation Agent in writing) as determined by the Calculation Agent; and

(z) if paragraph (y) above applies and fewer than two Reference Banks are so quoting Relevant Rates, subject as provided below, the Rate of Interest shall be the arithmetic mean of the rates per annum (expressed as a percentage) in respect of a Representative Amount of the Specified Currency that at least two out of five leading banks selected by the Issuer in the principal financial centre of the country of the Specified Currency or, if the Specified Currency is euro, in Europe (the “**Principal Financial Centre**”) are quoting at or about the Relevant Time on the date on which such banks would customarily quote such rates for a period commencing on the Effective Date for a period equivalent to the Specified Duration (I) to leading banks carrying on business in Europe, or (if fewer than two of such banks are so quoting to leading banks in Europe) (II) to leading banks carrying on business in the Principal Financial Centre; except that, if fewer than two of such banks are so quoting to leading banks in the Principal Financial Centre, the Rate of Interest shall be the Rate of Interest determined on the previous Interest Determination Date (after readjustment for any difference between any Margin or Maximum or Minimum Rate of Interest applicable to the preceding Interest Accrual Period and to the relevant Interest Accrual Period).

(C) For purposes of Condition 8.2(iii)(B):

“**Effective Date**” means, with respect to any Floating Rate to be determined on an Interest Determination Date, the date specified as such in the Pricing Supplement or, if none is so specified, the first day of the Interest Accrual Period to which such Interest Determination Date relates;

“**ISDA Definitions**” means the 2006 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc., unless otherwise specified in the Pricing Supplement;

“**Page**” means such page, section, caption, column or other part of a particular information service (including, but not limited to, Reuters Markets 3000 (“**Reuters**”) and Bloomberg (“**Bloomberg**”)) as may be specified for the purpose of providing a Relevant Rate, or such other page, section, caption, column or other part as may replace it on that information service or on such other information service, in each case as may be nominated by the Person or organisation providing or sponsoring the information appearing there for the purpose of displaying rates or prices comparable to that Relevant Rate;

“**Relevant Rate**” means either LIBOR or EURIBOR (as specified in the relevant Pricing Supplement) for a Representative Amount of the Specified Currency for a period (if applicable or appropriate to the Benchmark) equal to the Specified Duration commencing on the Effective Date;

“**Representative Amount**” means, with respect to any Floating Rate to be determined in accordance with a Screen Rate Determination on an Interest Determination Date, the amount specified as such in the Pricing Supplement; and

“**Specified Duration**” means, with respect to any Floating Rate to be determined in accordance with a Screen Rate Determination on an Interest Determination Date, the duration specified in the Pricing Supplement or, if none is specified, a period of time equal to the relative Interest Accrual Period, ignoring any adjustment pursuant to Condition 8.2(ii).

**8.3 Zero Coupon Notes:** Where a Note, the Interest Basis of which is specified to be Zero Coupon, is repayable prior to the Maturity Date and is not paid when due, the amount due and payable prior to the Maturity Date shall be the Early Redemption Amount of such Note. As from the due date for payment, the Rate of Interest for any overdue principal of such a Note shall be a rate per annum (expressed as a percentage) equal to the Amortisation Yield (as described in Condition 8.2).

**8.4 Accrual of Interest:** Interest shall cease to accrue on each Note on the due date for redemption unless, upon due presentation, payment is improperly withheld or refused, in which event interest shall continue to accrue (as well after as before judgment) at the Rate of Interest in the manner provided in this Condition 8 to the Relevant Date (as defined in Condition 12).

**8.5 Margin, Maximum/Minimum Rates of Interest, Redemption Amounts and Rounding:**

- (i) If any Margin is specified in the Pricing Supplement (either (x) generally, or (y) in relation to one or more Interest Accrual Periods), an adjustment shall be made to all Rates of Interest, in the case of (x), or the Rates of Interest for the specified Interest Accrual Periods, in the case of (y), calculated in accordance with Condition 8.2 above by adding (if a positive number) or subtracting the absolute value (if a negative number) of such Margin, subject always to the next paragraph.
- (ii) If any Maximum or Minimum Rate of Interest or Redemption Amount is specified in the Pricing Supplement, then any Rate of Interest or Redemption Amount shall be subject to such maximum or minimum, as the case may be.

- (iii) For the purposes of any calculations required pursuant to these Conditions (unless otherwise specified), (x) all percentages resulting from such calculations shall be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with halves being rounded up), (y) all figures shall be rounded to seven significant figures (with halves being rounded up) and (z) all currency amounts that fall due and payable shall be rounded to the nearest unit of such currency (with halves being rounded up), save in the case of yen, which shall be rounded down to the nearest yen. For these purposes “unit” means the lowest amount of such currency that is available as legal tender in the country or countries (as applicable) of such currency.

**8.6 Calculations:** The amount of interest payable per Calculation Amount in respect of any Note for any Interest Accrual Period shall be equal to the product of the Rate of Interest, the Calculation Amount specified in the relevant Pricing Supplement and the Day Count Fraction for such Interest Accrual Period, unless an Interest Amount (or a formula for its calculation) is applicable for such Interest Accrual Period, in which case the amount of interest payable in respect of such Note for such Interest Accrual Period shall equal such Interest Amount (or be calculated in accordance with such formula). Where any Interest Period comprises two or more Interest Accrual Periods, the amount of interest payable per Calculation Amount in respect of such Interest Period shall be the sum of the Interest Amounts payable in respect of each of those Interest Accrual Periods. In respect of any other period for which interest is required to be calculated, the provisions above shall apply save that the Day Count Fraction shall be for the period for which interest is required to be calculated.

**8.7 Determination and Publication of Rates of Interest, Interest Amounts:** As soon as practicable after the Relevant Time on each Interest Determination Date or such other time on such date as the Calculation Agent may be required to calculate any rate or amount, make any determination or calculation, subject to receiving any relevant quotation from the Issuer, it shall determine such rate and calculate the Interest Amounts for the relevant Interest Accrual Period make such determination or calculation, as the case may be, and cause the Rate of Interest and the Interest Amounts for each Interest Accrual Period and the relevant Interest Payment Date to be notified to the Issuer, each of the Paying Agents and the Issuer shall notify, the Trustee, the Noteholders and, any other Calculation Agent appointed in respect of the Notes that is to make a further calculation upon receipt of such information and, if the Notes are listed on a stock exchange and the rules of such exchange or other relevant authority so require, such exchange or other relevant authority as soon as possible after their determination but in no event later than (i) the commencement of the relevant Interest Period, if determined prior to such time, in the case of notification to such exchange of a Rate of Interest and Interest Amount, or (ii) in all other cases, the fourth Business Day after such determination. Where any Interest Payment Date or Interest Period Date is subject to adjustment pursuant to Condition 8.2(i), the Interest Amounts and the Interest Payment Date so published may subsequently be amended without notice in the event of an extension or shortening of the Interest Period. If the Notes become due and payable under Condition 13, the accrued interest and the Rate of Interest payable in respect of the Notes shall nevertheless continue to be calculated as previously in accordance with this Condition but no publication of the Rate of Interest or the Interest Amount so calculated need be made unless the Issuer otherwise requires. The determination of any rate or amount and the making of each determination or calculation by the Calculation Agent(s) shall (in the absence of manifest error) be final and binding upon all parties. The Issuer shall determine and/or calculate the Final Redemption Amount, Early Redemption Amount or Optional Redemption Amount or any other redemption amount as specified in the Pricing Supplement. Neither the Calculation Agent nor any other Agent shall have any responsibility to calculate and/or determine any such redemption amount and shall have no liability to the Noteholders or any other person in relation to such redemption amount.

## **8.8 Benchmark Replacement**

Notwithstanding the foregoing provisions of this Condition 8, if the Issuer determines that the relevant Reference Rate specified in the relevant Pricing Supplement has ceased to be published on the Relevant Screen Page as a result of such benchmark ceasing to be calculated or administered or that



the Relevant Screen Page is no longer available to the Calculation Agent, then the following provisions shall apply:

- (a) the Issuer shall use reasonable endeavours to appoint an Independent Adviser for the determination (with the Issuer's agreement) of an alternative rate (the "**Alternative Reference Rate**") and an alternative screen page or source (the "**Alternative Relevant Screen Page**") no later than five (5) Business Days prior to the relevant Interest Determination Date relating to the next succeeding Interest Period (the "**Determination Cut-off Date**") for purposes of determining the Rate of Interest applicable to the Notes for all future Interest Periods (as applicable) (subject to the subsequent operation of this Condition 8.8);
- (b) the Alternative Reference Rate shall be such rate as the Independent Adviser and the Issuer acting in good faith agree has replaced the relevant Reference Rate in customary market usage for the purposes of determining floating rates of interest in respect of eurobonds denominated in the relevant Specified Currency, or, if the Independent Adviser and the Issuer agree that there is no such rate, such other rate as the Independent Adviser and the Issuer acting in good faith agree is most comparable to the relevant Reference Rate, and the Alternative Relevant Screen Page shall be such page of an information service as displays the Alternative Reference Rate;
- (c) if the Issuer is unable to appoint an Independent Adviser, or if the Independent Adviser and the Issuer cannot agree upon, or cannot select, the Alternative Reference Rate and Alternative Relevant Screen Page prior to the Determination Cut-off Date in accordance with sub-paragraph (b) above, then the Issuer may determine which (if any) rate has replaced the relevant Reference Rate in customary market usage for purposes of determining floating rates of interest in respect of eurobonds denominated in the relevant Specified Currency, or, if it determines that there is no such rate, which (if any) rate is most comparable to the relevant Reference Rate, and the Alternative Reference Rate shall be the rate so determined by the Issuer and the Alternative Relevant Screen Page shall be such page of an information service as displays the Alternative Reference Rate; *provided, however*, that if this sub-paragraph (c) applies and the Issuer is unable or unwilling to determine an Alternative Reference Rate and Alternative Relevant Screen Page prior to the Interest Determination Date relating to the next succeeding Interest Period in accordance with this sub-paragraph (c), the Rate of Interest applicable to such Interest Period shall be equal to the Rate of Interest last determined in relation to the Notes in respect of a preceding Interest Period as applicable (which may be the initial Rate of Interest);
- (d) if an Alternative Reference Rate and Alternative Relevant Screen Page is determined in accordance with the preceding provisions, such Alternative Reference Rate and Alternative Relevant Screen Page shall be the Reference Rate and the Relevant Screen Page in relation to the Notes for all future Interest Periods (subject to the subsequent operation of this Condition 8.8);
- (e) if an Alternative Reference Rate is determined in accordance with the above provisions, the Independent Adviser (with the Issuer's agreement) or the Issuer (as the case may be), may also, following consultation with the Calculation Agent, specify changes to the Day Count Fraction, Business Day Convention, Business Days, Interest Determination Date and/or the definition of Reference Rate applicable to the Notes, and the method for determining the fallback rate in relation to the Notes, in order to follow market practice in relation to the Alternative Benchmark Rate, which changes shall apply to the Notes for all future Interest Periods (subject to the subsequent operation of this Condition 8.8); and
- (f) the Issuer shall promptly following the determination of any Alternative Reference Rate and Alternative Relevant Screen Page give notice thereof and of any changes pursuant to sub-paragraph (e) above to the Calculation Agent, the Principal Paying Agent, the Trustee and the Noteholders.

## 9. ZERO COUPON NOTE PROVISIONS

The applicable Pricing Supplement will indicate whether the Notes are Fixed Rate Notes, Floating Rate Notes or Zero Coupon Notes or whether a different interest basis applies.

### 9.1 Application for Zero Coupon Notes

This Condition 9 is applicable to the Notes only if the Zero Coupon Note Provisions are specified in the relevant Pricing Supplement as being applicable.

### 9.2 Redemption Amount Improperly Refused

If the Redemption Amount payable in respect of any Zero Coupon Note is improperly withheld or refused, the Redemption Amount shall thereafter be an amount equal to the sum of:

- (a) the Reference Price; and
- (b) the product of the Accrual Yield (compounded annually) being applied to the Reference Price from (and including) the Issue Date to (but excluding) whichever is the earlier of (i) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder and (ii) the day which is seven days after the Trustee has notified the Noteholders that it has received all sums due in respect of the Notes up to such seventh day (except to the extent that there is any subsequent default in payment).

## 10. REDEMPTION AND PURCHASE

### 10.1 Final Redemption

Unless previously redeemed, purchased and cancelled as provided below or its maturity is extended pursuant to any Issuer's or Noteholder's option in accordance with Condition 10.4, 10.5, 10.6, 10.7, 10.8 or 10.9, each Note shall be finally redeemed on the Maturity Date specified in the Pricing Supplement at its Final Redemption Amount (which, unless otherwise provided in the Pricing Supplement, is its principal amount).

### 10.2 Early Redemption:

- (i) *Zero Coupon Notes:*

(A) The Early Redemption Amount payable in respect of any Zero Coupon Note, upon redemption of such Note pursuant to Condition 10.3 or upon it becoming due and payable as provided in Condition 13 shall be the Amortised Face Amount (calculated as provided below) of such Note unless otherwise specified in the Pricing Supplement.

(B) Subject to the provisions of sub-paragraph (C) below, the “**Amortised Face Amount**” of any such Note shall be the scheduled Final Redemption Amount of such Note on the Maturity Date discounted at a rate per annum (expressed as a percentage) equal to the Amortisation Yield (which, if none is shown in the Pricing Supplement, shall be such rate as would produce an Amortised Face Amount equal to the issue price of the Notes if they were discounted back to their issue price on the Issue Date) compounded annually.

(C) If the Early Redemption Amount payable in respect of any such Note upon its redemption pursuant to Condition 10.3 or upon it becoming due and payable as provided in Condition 13 is not paid when due, the Early Redemption Amount due and payable in respect of such Note shall be the Amortised Face Amount of such Note as defined in sub-paragraph (B) above, except that such sub-paragraph shall have effect as though the date on which the Note becomes due and payable were the Relevant Date. The calculation of the Amortised Face Amount in accordance with

this sub-paragraph shall continue to be made (as well after as before judgment) until the Relevant Date, unless the Relevant Date falls on or after the Maturity Date, in which case the amount due and payable shall be the scheduled Final Redemption Amount of such Note on the Maturity Date together with any interest that may accrue in accordance with Condition 8.

Where such calculation is to be made for a period of less than one year, it shall be made on the basis of the Day Count Fraction shown in the Pricing Supplement.

- (ii) *Other Notes:* The Early Redemption Amount payable in respect of any Note (other than Notes described in (i) above), upon redemption of such Note pursuant to Condition 10.3 or upon it becoming due and payable as provided in Condition 13, shall be the Final Redemption Amount unless otherwise specified in the Pricing Supplement.

**10.3 Redemption for Taxation Reasons:** The Notes may be redeemed at the option of the Issuer in whole, but not in part, on any Interest Payment Date or, if so specified in the Pricing Supplement, at any time, on giving not less than 30 nor more than 60 days' notice to the Noteholders (which notice shall be irrevocable) at their Early Redemption Amount (as described in Condition 10.2 above) (together with interest accrued to the date fixed for redemption), if, immediately before giving such notice, the Issuer confirms to the Trustee that (a) (i) the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 12 or the Guarantors would be unable for reasons outside its control to procure payment by the Issuer and, in making payment itself, would be required to pay such additional amounts, in each case as a result of any change in, or amendment to, the laws or regulations of Luxembourg (in the case of payments by the Issuer) or Malta (in the case of payments by the Guarantors or any political subdivision or any authority thereof having power to tax therein, or any change in the application or official interpretation of such laws or regulations (including a holding by a court of competent jurisdiction), which change or amendment becomes effective on or after the date on which agreement is reached to issue of the first Tranche of the Notes and (ii) such obligation cannot be avoided by the Issuer (or, as the case may be, the Guarantors) taking reasonable measures available to it or (b) (i) the Issuer has or (if a demand was made under the Guarantee) would become obliged to pay additional amounts as provided or referred to in Condition 12 or the Issuer has or will become obliged to make any such withholding or deduction of the type referred to in Condition 12, from any amount paid by it to the Issuer in order to enable the Issuer to make a payment of principal or interest in respect of the Notes, in either case to any greater extent than would have been required had such a payment been required to be made before the date on which agreement is reached to issue the first Tranche of the Notes as a result of any change in, or amendment to, the laws or regulations of Luxembourg or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations (including a holding by a court of competent jurisdiction), which change or amendment becomes effective on or after the date on which agreement is reached to issue the first Tranche of the Notes, and (ii) such obligation cannot be avoided by the Issuer taking reasonable measures available to it; provided, however, that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts or the Issuer would be obliged to make such withholding or deduction if a payment in respect of the Notes were then due. Before the publication of any notice of redemption pursuant to this paragraph, the Issuer (or, as the case may be, the Guarantors) shall deliver to the Trustee (1) a certificate signed by two directors of the Issuer (or, as the case may be, the Guarantors) stating that the Issuer (or, as the case may be, the Guarantors) is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer (or, as the case may be, the Guarantors) so to redeem have occurred and (2) an opinion of independent legal advisers in form and substance satisfactory to the Trustee of recognised standing to the effect that the Issuer (or, as the case may be, the Guarantors) has or will become obliged to pay such additional amounts and the Trustee shall be entitled to accept such certificate and opinion as sufficient evidence of the satisfaction of the condition precedent set out in (a)(ii) and/or (b)(ii) above in which event it shall be conclusive and binding on Noteholders.

**10.4 Redemption at the Option of Noteholders upon a Change of Control:** If at any time while any Note remains outstanding a Change of Control occurs, the Issuer shall, at the option of the holder of any such Note, upon the holder of such Note giving not less than 15 nor more than 30 days' notice to the Issuer redeem such Note on the Optional Redemption Date(s) at 100% of its principal amount together with (or, where purchased, together with an amount equal to) interest accrued to but excluding the Change of Control Put Date (as defined below).

Such option (the "**Change of Control Put Option**") shall operate as set out below.

If a Change of Control occurs then, within 30 days of the occurrence of the Change of Control, the Issuer shall, and upon the Trustee becoming so aware (the Issuer having failed to do so) the Trustee may, and, if so requested by the holders of at least 20 per cent. in principal amount of the Notes then outstanding, shall, subject to it being indemnified and/or secured and/or prefunded to its satisfaction, give notice (a "**Change of Control Notice**") to the Noteholders in accordance with Condition 20 specifying the nature of the Change of Control and the procedure for exercising the Change of Control Put Option.

To exercise the Change of Control Put Option, a holder of Notes must deliver at the specified office of any Paying Agent on any Business Day falling within the period commencing on the occurrence of a Change of Control and ending 90 days after such occurrence or, if later, 90 days after the date on which the Change of Control Notice is given to Noteholders as required by this Condition 10.4 (the "**Change of Control Put Period**"), a duly signed and completed notice of exercise in the form (for the time being current and which may, if the certificate for such Notes is held in a clearing system, be any form acceptable to the clearing system delivered in any manner acceptable to the clearing system) obtainable from any specified office of any Paying Agent (a "**Change of Control Put Option Notice**") and in which the holder must specify a bank account to which payment is to be made under this paragraph accompanied by the certificate for such Notes or evidence satisfactory to the Paying Agent concerned that the certificate for such Notes will, following the delivery of the Change of Control Put Option Notice, be held to its order or under its control.

The Issuer shall at its option redeem or purchase (or procure the purchase of) the Notes the subject of each Change of Control Put Option Notice on the date (the "**Change of Control Put Date**") seven days after the expiration of the Change of Control Put Period unless previously redeemed or purchased and cancelled. A Change of Control Put Option Notice given by a holder of any Note shall be irrevocable except where, prior to the due date of redemption, an Event of Default has occurred and is continuing, in which event such holder, at its option, may elect by notice to the Issuer to withdraw the Change of Control Put Option Notice.

For the purposes of this Condition 10.4:

A "**Change of Control**" will be deemed to have occurred upon the occurrence of the consummation of any transaction (including, without limitation, any merger or consolidation) the result of which is that Julius Meinl Finance Limited, JULIUS MEINL FUNDS a.s. and entities related to them appropriately authorised to hold the shares of Julius Meinl Living PLC (or any surviving entity of a Reorganisation) ceases to own and control (directly or indirectly) at least 50% plus one share of the issued and outstanding voting share capital of Julius Meinl Living PLC (or any surviving entity of a Reorganisation); and

"**Reorganisation**" means any reorganisation or corporate reconstruction, or sale, lease, assignment, conveyance or otherwise disposal of all or substantially all of the assets of Julius Meinl Living PLC.

**10.5 Redemption at the Option of the Issuer and Exercise of Issuer's Options:** If Call Option is specified in the Pricing Supplement, the Issuer may, on giving not less than 15 nor more than 30 days' irrevocable notice to the Noteholders (or such other notice period as may be specified in the Pricing

Supplement) redeem, or exercise any option of the Issuer (as may be described in the Pricing Supplement) in relation to, all or, if so provided, some of the Notes on any Optional Redemption Date or Option Exercise Date, as the case may be. Any such redemption of Notes shall be at their Optional Redemption Amount together with interest accrued to the date fixed for redemption. Any such redemption or exercise must relate to Notes of a principal amount at least equal to the Minimum Redemption Amount to be redeemed specified in the Pricing Supplement and no greater than the Maximum Redemption Amount to be redeemed specified in the Pricing Supplement.

All Notes in respect of which any such notice is given shall be redeemed, or the Issuer's option shall be exercised, on the date specified in such notice in accordance with this Condition.

In the case of a partial redemption or a partial exercise of an Issuer's option, the notice to Noteholders shall be given in accordance with Condition 20 and specify the principal amount of Notes drawn and the holder(s) of such Notes, to be redeemed or in respect of which such option has been exercised, which shall have been drawn in such place as the Trustee may approve and in such manner as it deems appropriate, subject to compliance with any applicable laws and stock exchange or other relevant authority requirements.

**10.6 Make Whole Redemption at the Option of the Issuer:** If Make Whole Redemption is specified in the Pricing Supplement, at any time prior to the Maturity Date, the Issuer may, at its option, on giving not less than 15 nor more than 30 days' irrevocable notice to the Noteholders (the "Call Option Notice") in accordance with Condition 20 and to the Trustee and the Agents redeem the Notes in whole, but not in part, at the following price:

- (i) the aggregate principal amount of the outstanding Notes plus;
- (ii) interest and other amounts that may be due pursuant to these Conditions (if any) accrued but unpaid to, excluding, the Call Settlement Date (as defined below); plus
- (iii) the Make Whole Premium.

The Call Option Notice shall specify the date fixed for redemption (the "**Call Settlement Date**").

For the Purposes of this Condition 10.6:

"**Make Whole Premium**" means, with respect to a Note any time, the excess of (a) the present value of the Notes at the Call Settlement Date, being the outstanding aggregate principal amount of the Notes plus any required interest payments that would otherwise accrue and be payable on such Notes from and after the Call Settlement Date through to the Maturity Date (but excluding any interest accrued and unpaid to, but excluding the Call Settlement Date) calculated using the discount rate equal to the Treasury Rate at the Call Settlement Date plus 50 basis points, over (b) the outstanding aggregate principal amount of the Notes on and as of the Call Settlement Date, provided that if the value of the Make Whole Premium at any time would otherwise be less than zero, then in such circumstances, the value of the Make Whole Premium will be equal to zero. The Issuer shall notify the Noteholders in accordance with Condition 20 and the Trustee and the Agents of the Make Whole Premium not less than two Business Days prior to the Call Settlement Date.

"**Treasury Rate**" means the yield to maturity at the time of computation of U.S. Treasury securities with a constant maturity most nearly equal to the period from the Call Settlement Date to the Maturity Date. The Issuer will obtain such yield to maturity from information compiled and published in the most recent Federal Reserve Statistical Release H.15 (519) (or any successor thereto), which has become publicly available at least three Business Days (but not more than five Business Days) prior to the Call Settlement Date (or, if such Statistical Release is not so published or available, any publicly available source of similar market data

selected by the Issuer in good faith); provided, however, that if the period from the Call Settlement Date to the Maturity Date is not equal to the constant maturity of a U.S. Treasury security for which a weekly average yield is given, the Treasury Rate shall be obtained by obtained by linear interpolation (calculated to the nearest one-twelfth of a year) from the weakly average yields of U.S. Treasury securities for which such yields are given, except that if the period from the Call Settlement Date to the Maturity Date is less than one year, the weakly average yield on actually traded U.S. Treasury securities adjusted to a constant maturity of one year shall be used.

**10.7 Optional Redemption at Par:** If Optional Redemption at Par is specified in the Pricing Supplement, the Issuer may, at any time, on or after the date that is three months prior to the Maturity Date of the Notes, on giving not less than 15 nor more than 30 days' irrevocable notice to the Noteholders (which notice shall specify the date fixed for redemption) ( the "**Par Optional Redemption Date**") in accordance with Condition 20 and to the Trustee and Agents, redeem the Notes in whole or in part, at 100% of the principal amount thereof, together with accrued interest and unpaid and Additional Amounts (if any) to but excluding the Par Optional Redemption Date. In the case of a partial redemption, the Notes shall be selected for redemption either: (a) in accordance with the procedures of the relevant clearing systems; or (b) if the Notes are not held in a clearing system or if the relevant clearing system prescribe no method of selection, the Notes will be redeemed by drawing lots in such place and in such manner as may be fair and reasonable in the circumstances, taking account of prevailing market practices; subject, in each case, to compliance with any applicable laws and stock exchange or other relevant regulatory requirements. Neither the Trustee nor the Agent shall have any responsibility or liability for any selection made pursuant to this Condition 10.7.

**10.8 Redemption at the Option of Noteholders and Exercise of Noteholders' Options:** If Put Option is specified in the Pricing Supplement, the Issuer shall, at the option of the holder of any such Note, upon the holder of such Note giving not less than 15 nor more than 30 days' notice to the Issuer (or such other notice period as may be specified in the Pricing Supplement) redeem such Note on the Optional Redemption Date(s) at its Optional Redemption Amount together with interest accrued to (but excluding) the date fixed for redemption.

To exercise such option or any other Noteholders' option that may be set out in the Pricing Supplement (which must be exercised on an Option Exercise Date) the holder must deposit the Note(s) with the Registrar or any Transfer Agent at its specified office, together with a duly completed option exercise notice ("**Exercise Notice**") in the form obtainable from any Paying Agent, the Registrar or any Transfer Agent (as applicable) within the notice period. No Note so deposited and option exercised may be withdrawn (except as provided in the Agency Agreement) without the prior consent of the Issuer.

**10.9 Redemption by the Issuer following a partial redemption of the Notes at the option of Noteholders:** If, on and as of any Optional Redemption Date, 75% or more (on a cumulative basis taking account of the principal amount of all Notes then redeemed or to be redeemed, whether on such Optional Redemption Date or any prior Optional Redemption Date) of the aggregate principal amount of the Notes originally issued shall have been redeemed in accordance with the provisions of Condition 10.4 or Condition 10.8, the Issuer may, at its sole discretion, within 90 days of such Optional Redemption Date, give not less than 15 or more than 30 days' notice to the Noteholders in accordance with Condition 20 (which notice shall be irrevocable) and to the Trustee and the Agents whereafter the Issuer shall redeem on the expiry date of such notice all (but not some only) of then-outstanding Notes at their principal amount together with interest accrued to, but excluding, the date of such redemption.

**10.10 Specific redemption provisions applicable to certain types of Notes**

The Final Redemption Amount, any Optional Redemption Amount and the Early Redemption Amount in respect of Notes other than Fixed Rate Notes, Floating Rate Notes and Zero Coupon Notes may be specified in, or determined in the manner specified in, the applicable Pricing Supplement.

Partly Paid Notes will be redeemed, whether at maturity, early redemption or otherwise, in accordance with the provisions of this Condition and the applicable Pricing Supplement.

## 10.11 Purchase

The Issuer and the Guarantors may at any time purchase, or procure others to purchase for its account, Notes in the open market or otherwise and at any price. Notes so purchased may be held or resold (provided that such resale is outside the United States as defined in Regulation S under the United States Securities Act of 1933, as amended, and otherwise in compliance with all applicable laws) or surrendered for cancellation, at the option of the Issuer. Any Notes so purchased, while held by or on behalf of the Issuer, the Guarantors or any Person acting on behalf of the Issuer, shall not entitle the holder to vote at any meeting of Noteholders and shall not be deemed to be outstanding for the purposes of calculating quorums at meetings of Noteholders.

## 10.12 Cancellation

All Notes which are submitted for cancellation pursuant to Condition 10.11 (*Purchase*) will be cancelled and may not be reissued or resold. For so long as the Notes are admitted to trading on the EuroMTF Market of the Luxembourg Stock Exchange (the “**Stock Exchange**”) and the rules of such exchange so require, the Issuer shall promptly inform the Stock Exchange of the cancellation of any Notes under this Condition 10.12 (*Cancellation*).

## 11. PAYMENTS

### 11.1 Payments of Principal and Interest:

- (i) Payments of principal in respect of Notes shall be made against presentation and surrender of the relevant Notes at the specified office of any of the Paying Agents or of the Registrar and in the manner provided in paragraph (ii) below.
- (ii) Interest on Notes shall be paid to the Person shown on the Register at the close of business on the fifteenth day before the due date for payment thereof (the “**Record Date**”). Payments of interest on each Note shall be made in the relevant currency by cheque drawn on a bank and mailed by uninsured post to the holder (or to the first named of joint holders) of such Note at its address appearing in the Register. The holder of such Notes will not be entitled to any interest or other payment for any delay in receiving any amount due in respect of such Notes as a result of a cheque posted in accordance with this Condition arriving after the due date for payment or being lost in the post. Upon application by the holder to the specified office of the Registrar or any Transfer Agent before the Record Date, such payment of interest may be made by transfer to an account in the relevant currency maintained by the payee with a bank.

**11.2 Payments subject to Laws:** Payments will be subject in all cases to (i) any applicable fiscal or other laws, regulations and directives in the place of payment, but without prejudice to the provisions of Condition 12, and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986, as amended (the “Code”), or otherwise imposed pursuant to FATCA, or (without prejudice to the provisions of Condition 12) any law implementing an intergovernmental approach thereto. No commission or expenses shall be charged to the Noteholders in respect of such payments.

**11.3 Appointment of Agents:** The Paying Agents, the Registrar, the Transfer Agents and the Calculation Agent initially appointed by the Issuer and their respective specified offices are listed below. The Paying Agents, the Registrar, the Transfer Agents and the Calculation Agent act solely as agents of the Issuer and, in certain circumstances, the Trustee and do not assume any obligation or relationship of agency or trust for or with any Noteholder. The Issuer reserves the right at any time with the approval of the Trustee to vary or terminate the appointment of any Paying Agent, the Registrar, any Transfer Agent or the Calculation Agent(s) and to appoint additional or other Paying Agents or

Transfer Agents, provided that the Issuer shall at all times maintain (i) a Principal Paying Agent, (ii) a Registrar, (iii) a Transfer Agent, (iv) a Paying Agent or Paying Agents having specified offices in at least two major European cities and (v) such other agents as may be required by any other stock exchange on which the Notes may be listed in each case, as approved by the Trustee. Notice of any such change or any change of any specified office shall promptly be given to the Noteholders in accordance with Condition 20.

**11.4 Calculation Agent and Reference Banks:** The Issuer shall procure that there shall at all times be four Reference Banks (or such other number as may be required) with offices in the Relevant Financial Centre and one or more Calculation Agents if provision is made for them in the Notes and for so long as any such Note is outstanding (as defined in the Trust Deed). If any Reference Bank (acting through its relevant office) is unable or unwilling to continue to act as a Reference Bank, then the Issuer shall appoint another Reference Bank with an office in the Relevant Financial Centre to act as such in its place. Where more than one Calculation Agent is appointed in respect of the Notes, references in these Conditions to the Calculation Agent shall be construed as each Calculation Agent performing its respective duties under the Conditions. If the Calculation Agent is unable or unwilling to act as such or if the Calculation Agent is unable to establish the Rate of Interest for an Interest Period or Interest Accrual Period or to calculate any Interest Amount, Final Redemption Amount, Early Redemption Amount or Optional Redemption Amount, as the case may be, or to comply with any other requirement, within 7 days of the date upon which any such amount is due to be calculated, the Issuer shall appoint a leading bank or investment banking firm engaged in the interbank market (or, if appropriate, money, swap or over-the-counter index options market) that is most closely connected with the calculation or determination to be made by the Calculation Agent (acting through its principal London office or any other office actively involved in such market) to act as such in its place. The Calculation Agent may not resign its duties without a successor having been appointed as aforesaid.

Notice of any such change shall promptly be given by the Issuer to the Noteholders.

**11.5 Non-Business Days:** If any date for payment in respect of any Note is not a business day, the holder shall not be entitled to payment until the next following business day nor to any interest or other sum in respect of such postponed payment. In this paragraph, “business day” means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for business in the relevant place of presentation, in such jurisdictions as shall be specified as “Financial Centres” in the Pricing Supplement and:

- a) (in the case of a payment in a currency other than euro) where payment is to be made by transfer to an account maintained with a bank in the relevant currency, on which foreign exchange transactions may be carried on in the relevant currency in the principal financial centre of the country of such currency; or
- b) (in the case of a payment in euro) which is a TARGET Business Day.



## 12. TAXATION

All payments by or on behalf of the Issuer or the Guarantors, as the case may be, shall be made free and clear of, and without deduction or withholding for, any taxes, duties, assessments, or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of any Relevant Jurisdiction (collectively “**Taxes**”) unless such withholding or deduction is required by law. In such event, the Issuer or, as the case may be, the Guarantors will pay such additional amounts to the holder of any Note as will result in receipt by the Noteholder of such amounts as would have been received by them had no such withholding or deduction on account of any such Taxes had been required, except that no additional amounts shall be payable with respect to any Note:

- (a) **Other connection:** to, or to a third party on behalf of, a holder who is liable to such Taxes in respect of such Note by reason of his having some connection with Luxembourg other than the mere holding of the Note or the receipt of payment thereunder; or
- (b) **Presentation more than 30 days after the Relevant Date:** presented (or in respect of which the Note representing it is presented) for payment more than 30 days after the Relevant Date except to the extent that the holder of it would have been entitled to such additional amounts on presenting it for payment on the thirtieth day;
- (c) **Presentation in another jurisdiction:** presented for payment by or on behalf of a holder who would have been able to avoid such withholding or deduction by presenting the relevant Note to another Paying Agent in a member state of the European Union.

Notwithstanding any other provision of the Terms and Conditions of the Notes, any amounts to be paid on the Notes by or on behalf of the Issuer or, as the case may be, the Guarantors will be paid net of any deduction or withholding imposed or required pursuant to an agreement described in Section 1471(b) of the Code, or otherwise imposed pursuant to FATCA or an intergovernmental agreement between the United States and another jurisdiction facilitating the implementation thereof (or any fiscal or regulatory legislation, rules or practices implementing such an intergovernmental agreement) (any such withholding or deduction, a “**FATCA Withholding**”). Neither the Issuer, nor the Guarantors, nor the Paying Agent nor any other person will be required to pay any additional amounts in respect of FATCA Withholding.

As used in these Conditions, “**Relevant Date**” in respect of any Note means the date on which payment in respect of it first becomes due or (if any amount of the money payable is improperly withheld or refused) the date on which payment in full of the amount outstanding is made or (if earlier) the date seven days after that on which notice is duly given to the Noteholders that, upon further presentation of the Note being made in accordance with the Conditions, such payment will be made, provided that payment is in fact made upon such presentation. References in these Conditions to (i) “**principal**” shall be deemed to include any premium payable in respect of the Notes, Final Redemption Amounts, Early Redemption Amounts, Optional Redemption Amounts, Amortised Face Amounts and all other amounts in the nature of principal payable pursuant to Condition 10 or any amendment or supplement to it, (ii) “**interest**” shall be deemed to include all Interest Amounts and all other amounts payable pursuant to Condition 8, Condition 9 or Condition 10 or any amendment or supplement to it and (iii) “**principal**” and/or “**interest**” shall be deemed to include any additional amounts that may be payable under this Condition or any undertaking given in addition to or in substitution for it under the Trust Deed.

## 13. EVENTS OF DEFAULT

If any of the following events (each an “**Event of Default**”) occurs and is continuing, the Trustee at its discretion may, and if so requested in writing by holders of at least 20 per cent. in principal amount of the Notes then outstanding or if so directed by an Extraordinary Resolution shall, subject to it being indemnified and/or secured and/or prefunded to its satisfaction, give notice to the Issuer that the Notes

are, and they shall immediately become, due and payable at their Early Redemption Amount together with accrued interest to the date of such notice:

- (a) **Non-payment:** the Issuer or the Guarantors, as the case may be, fails to pay the principal of any of the Notes when the same becomes due and payable either at maturity, by declaration or otherwise or the Issuer or the Guarantors, as the case may be, is in default with respect to the payment of interest or additional amounts on any of the Notes and such default continues for a period of at least fourteen days in the case of principal or interest or additional amounts; or
- (b) **Breach of other Obligations:** the Issuer or any Guarantor, as the case may be, is in default in the performance, or is otherwise in breach, of any covenant, obligation, undertaking or other agreement under the Notes or the Trust Deed (other than a default or breach elsewhere specifically dealt with in this Condition 13) and such default or breach is not remedied within 30 days after notice thereof has been given to the Issuer and the Guarantors by the Trustee; or
- (c) **Cross Default:** (i) any Indebtedness of the Issuer or any Guarantor (a) becomes (or becomes capable of being declared) due and payable prior to the due date for payment thereof by reason of default by the Issuer or such Guarantor or (b) is not repaid at maturity as extended by the period of grace, if any, applicable thereto, provided that the aggregate principal amount of such Indebtedness exceeds the higher of (i) EUR 5,000,000 (or its equivalent in other currencies) and (ii) 5 per cent. of the Total Assets of Julius Meinl Living PLC; or
- (d) **Bankruptcy:** (i) any Person shall have instituted a proceeding or entered a decree or order for the appointment of a receiver, administrator or liquidator in any insolvency, rehabilitation, readjustment of debt, marshalling of assets and liabilities, moratorium of payments or similar arrangements involving the Issuer or all or substantially all of their respective properties and such proceeding, decree or order shall not have been vacated or shall have remained in force undischarged or unstayed for a period of 90 days; or (ii) the Issuer shall institute proceedings under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect to be adjudicated a bankrupt or shall consent to the filing of a bankruptcy, insolvency or similar proceeding against it or shall file a petition or answer or consent seeking reorganisation under any such law or shall consent to the filing of any such petition, or shall consent to the appointment of a receiver, administrator or liquidator or trustee or assignee in bankruptcy or liquidation of the Issuer, as the case may be, or in respect of its property, or shall make an assignment for the benefit of its creditors or shall otherwise be unable or admit its inability to pay its debts generally as they become due or the Issuer commences proceedings with a view to the general adjustment of its Indebtedness which event is materially prejudicial to the interests of the Noteholders; or
- (e) **Judgments:** The failure by the Issuer or any Guarantor to pay any final judgment in excess of EUR 5,000,000 (or its equivalent in other currencies) which final judgment remains unpaid, and undischarged, and unwaived and unstayed for a period of more than 30 consecutive days after such judgement becomes final and non-appealable.

#### 14. PRESCRIPTION

Claims against the Issuer for payment in respect of the Notes shall be prescribed and become void unless made within ten years (in the case of principal) or five years (in the case of interest) from the appropriate Relevant Date in respect of them.

#### 15. REPLACEMENT OF NOTES

If a Note is lost, stolen, mutilated, defaced or destroyed, it may be replaced, subject to applicable laws, regulations and stock exchange or other relevant authority regulations, at the specified office of the Registrar or such other Paying Agent or Transfer Agent, as the case may be, as may from time to time be designated by the Issuer and the Guarantors for the purpose and notice of whose designation is given to Noteholders, in each case on payment by the claimant of the fees and costs incurred in connection therewith and on such terms as to evidence, security and indemnity (which may provide,

*inter alia*, that if the allegedly lost, stolen or destroyed Note is subsequently presented for payment, there shall be paid to the Issuer on demand the amount payable by the Issuer and the Guarantors in respect of such Notes) and otherwise as the Issuer and the Guarantors may require. Mutilated or defaced Notes must be surrendered before replacements will be issued.

## **16. MEETINGS OF NOTEHOLDERS, MODIFICATION, WAIVER AND SUBSTITUTION**

**16.1 Meetings of Noteholders:** The Trust Deed contains provisions for convening meetings of Noteholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution (as defined in the Trust Deed) of a modification of any of these Conditions or any provisions of the Trust Deed. Such a meeting may be convened by the Issuer or the Trustee and shall be convened by the Trustee (subject to it being indemnified and/or secured and/or pre-funded to its satisfaction) upon the request in writing of Noteholders holding not less than 20 per cent. in principal amount of the Notes for the time being outstanding. The quorum for any meeting convened to consider an Extraordinary Resolution shall be one or more Voters holding or representing a clear majority in principal amount of the Notes for the time being outstanding, or at any adjourned meeting one or more Voters holding or representing whatever the principal amount of the Notes held or represented, unless the business of such meeting includes consideration of proposals, *inter alia*, (i) to amend the dates of maturity or redemption of the Notes or any date for payment of interest or Interest Amounts on the Notes, (ii) to reduce or cancel the principal amount of or any premium payable on redemption of, the Notes, (iii) to reduce the rate or rates of interest in respect of the Notes or to vary the method or basis of calculating the rate or rates or amount of interest or the basis for calculating any Interest Amount in respect of the Notes (other than any variation in accordance with Condition 8.8), (iv) if a Minimum and/or a Maximum Rate of Interest or Redemption Amount is shown in the Pricing Supplement, to reduce any such Minimum and/or Maximum, (v) to vary any method of, or basis for, calculating the Final Redemption Amount, the Early Redemption Amount or the Optional Redemption Amount, including the method of calculating the Amortised Face Amount, (vi) to vary the currency or currencies of payment or denomination of the Notes, (vii) to take any steps that as specified in the Pricing Supplement may only be taken following approval by an Extraordinary Resolution to which the special quorum provisions apply, or (viii) to modify the provisions concerning the quorum required at any meeting of Noteholders or the majority required to pass an Extraordinary Resolution or any resolution, in which case the necessary quorum shall be one or more Voters holding or representing not less than two-thirds, or at any adjourned meeting not less than one-third, in principal amount of the Notes for the time being outstanding. Any Extraordinary Resolution duly passed shall be binding on Noteholders (whether or not they were present at the meeting at which such resolution was passed and whether or not they voted in favour or against such resolution or did not vote with respect to such resolution).

**16.2 Modification and Waiver:** The Trustee may agree, without the consent of the Noteholders, to (i) any modification of any of the provisions of the Notes or the Trust Deed that is, in its opinion, of a formal, minor or technical nature or is made to correct a manifest error, and (ii) any other modification (except as mentioned in the Trust Deed), and any waiver or authorisation of any breach or proposed breach, of any of the provisions of the Notes or the Trust Deed that is in the opinion of the Trustee not materially prejudicial to the interests of the Noteholders. Any such modification, authorisation or waiver shall be binding on the Noteholders and shall be notified to the Noteholders by the Issuer as soon as practicable.

**16.3 Substitution:** The Trust Deed contains provisions permitting the Trustee to agree, subject to such amendment of the Trust Deed and such other conditions as the Trustee may require, but without the consent of the Noteholders, to the substitution of the Issuer's successor in business (if applicable) or any subsidiary of JML PLC or its successor in business in place of the Issuer, or of any previous substituted company, as principal debtor or guarantor under the Trust Deed and the Notes. In the case of such a substitution the Trustee may agree, without the consent of the Noteholders, to a change of the law governing the Notes and the Trust Deed provided that such change would not in the opinion of the Trustee (determined in its sole discretion) be materially prejudicial to the interests of the Noteholders.

## **17. ENFORCEMENT**

At any time after the Notes become due and payable or a Guarantee becomes enforceable, the Trustee may, at its discretion and without further notice, institute such steps, actions or proceedings against the Issuer or the Guarantors as it may think fit to enforce the terms of the Trust Deed or the Notes but it shall not be bound to take any such steps, actions or proceedings unless (a) it shall have been so instructed (x) in relation to the enforcement of Series Security, by the Series Controlling Party relating to the relevant Series of Notes and (y) in relation to the enforcement of Programme Security, by the Programme Controlling Party, and (z) in relation to a claim on the Guarantee, in writing by holders of at least 20 per cent. in principal amount of Notes then outstanding (of the due and payable Series) or if so directed by an Extraordinary Resolution (of the due and payable Series); and (b) it shall have been indemnified and/or secured and/or prefunded to its satisfaction. No Noteholder may proceed directly against the Issuer or the Guarantors unless the Trustee, having become bound so to proceed, fails to do so within a reasonable period and such failure is continuing.

## **18. INDEMNIFICATION OF THE TRUSTEE**

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility, including provisions relieving it from taking steps, actions or proceedings to enforce payment unless indemnified and secured and/or prefunded to its satisfaction and to be paid its costs and expenses in priority to the claims of Noteholders. The Trustee is entitled to enter into business transactions with the Issuer, the Guarantors and any entity related to the Issuer or the Guarantors without accounting for any profit.

In the exercise of its powers and discretions under these Conditions and the Trust Deed, the Trustee will have regard to the interests of the Noteholders as a class and will not be responsible for any consequence for individual holders of Notes including as a result of such holders being connected in any way with a particular territory or tax jurisdiction and the Trustee shall not be entitled to require, nor shall any Noteholder be entitled to claim, from the Issuer or the Guarantors, any indemnification or payment in respect of any tax consequences of such exercise upon individual Noteholders.

## **19. FURTHER ISSUES AND CONSOLIDATION**

The Issuer may from time to time without the consent of the Noteholders create and issue further securities either having the same terms and conditions as the Notes in all respects (or in all respects except for the first payment of interest on them) and so that such further issue shall be consolidated and form a single Series with the outstanding securities of any Series or upon such terms as the Issuer may determine at the time of their issue. References in these Conditions to the Notes include (unless the context requires otherwise) any other securities issued pursuant to this Condition and forming a single Series with existing Notes or a separate Series. Further securities will be issued under a different CUSIP number unless there are issued pursuant to a “qualified reopening” for U.S. federal income tax purposes. Any further securities forming a single Series with the outstanding securities of any Series shall, and any other securities forming a separate Series may (with the consent of the Trustee), be constituted by the Trust Deed or any deed supplemental to it. The Trust Deed contains provisions for convening a single meeting of the Noteholders of a Series and the holders of securities of other Series where the Trustee so decides.

## **20. NOTICES**

Notices to Noteholders will be sent to them by first class mail (or its equivalent) or (if posted to an overseas address) by airmail at their respective addresses on the Register. Any such notice shall be deemed to have been given on the fourth day after the date of mailing. Notices to Noteholders will be valid if published, for so long as the Notes are admitted to trading on the Stock Exchange and the rules of such exchange so require, in a leading newspaper having general circulation in Luxembourg (which is expected to be the *Luxemburger Wort*). Any such notice shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the first date on which publication is made.

## 21. CURRENCY INDEMNITY

If any Noteholder receives or recovers any amount in a currency other than that in which the relevant payment is expressed to be due (the “**Contractual Currency**”) (whether as a result of, or of the enforcement of, an award, judgment or order of any court or other tribunal) in respect of any sum expressed to be due to it from the Issuer or Guarantors, as the case may be, that amount will only discharge the Issuer or Guarantors, as the case may be, to the extent of the Contractual Currency 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 Contractual Currency amount is less than the Contractual Currency amount expressed to be due to the relevant Noteholder under the Notes, the Issuer failing whom the Guarantors, as the case may be, will indemnify such Noteholder against any loss sustained by it as a result on the written demand of such Noteholder addressed to the Issuer or Guarantors, as the case may be, and delivered to the Issuer or Guarantors, as the case may be, or to the Specified Office of any Paying Agent. In any event, the Issuer or failing whom the Guarantors will indemnify the relevant Noteholder against the cost of making any such purchase.

This indemnity constitutes a separate and independent obligation of the Issuer and the Guarantors and shall give rise to a separate and independent cause of action.

## 22. REDENOMINATION

### 22.1 Redenomination

This Condition 23 is applicable to the Notes only if it is specified in the relevant Pricing Supplement as being applicable.

### 22.2 Redenomination Date

If the country of the Specified Currency becomes or, announces its intention to become, a Participating Member State, the Issuer may, without the consent of the Noteholders, on giving at least 30 days’ prior notice to the Trustee and the Noteholders, designate a date (the “**Redenomination Date**”), being an Interest Payment Date under the Notes falling on or after the date on which such country becomes a Participating Member State.

### 22.3 Calculation of Redenominated Notes

Notwithstanding the other provisions of these Terms and Conditions, with effect from the Redenomination Date:

- (a) the Notes shall be deemed to be redenominated into Euros in the denomination of Euros 0.01 with a principal amount for each Note equal to the principal amount of that Note in the Specified Currency, converted into Euros at the rate for conversion of such currency into Euros established by the Council of the European Union pursuant to the Treaty (including compliance with rules relating to rounding in accordance with European Community regulations); provided, however, that, if the Issuer determines, with the agreement of the Principal Paying Agent that the then market practice in respect of the redenomination into Euros 0.01 of internationally offered securities is different from that specified above, such provisions shall be deemed to be amended so as to comply with such market practice and the Issuer shall promptly notify the Noteholders, each listing authority, stock exchange or quotation system (if any) by which the Notes have then been admitted to listing, trading or quotation and the Trustee of such deemed amendments;
- (b) if Notes have been issued in definitive form:
  - (i) the payment obligations contained in all Notes denominated in the Specified Currency will become void on the Euro Exchange Date but all other obligations of the

Issuer thereunder (including the obligation to exchange such Notes in accordance with this Condition 23) shall remain in full force and effect; and

- (ii) new Notes denominated in Euros will be issued in exchange for Notes denominated in the Specified Currency in such manner as the Principal Paying Agent may specify and as shall be notified to the Noteholders in the Euro Exchange Notice; and
- (c) all payments in respect of the Notes (other than, unless the Redenomination Date is on or after such date as the Specified Currency ceases to be a sub division of the Euros, payments of interest in respect of periods commencing before the Redenomination Date) will be made solely in Euros by credit or transfer to a Euros account (or any other account to which Euros may be credited or transferred) maintained by the payee with, a bank in the principal financial centre of any Member State of the European Communities.

#### 22.4 Calculation of Interest on redenominated Definitive Note Certificates

Following redenomination of the Notes pursuant to this Condition 23, where Notes have been issued in definitive form, the amount of interest due in respect of the Notes will be calculated by reference to the aggregate principal amount of the Notes held by the relevant holder.

#### 22.5 Change of Interest Determination Date

If the Floating Rate Note Provisions are specified in the relevant Pricing Supplement as being applicable and Screen Rate Determination is specified in the relevant Pricing Supplement as the manner in which the Rate(s) of Interest is/are to be determined, with effect from the Redenomination Date the Interest Determination Date shall be deemed to be the second TARGET Settlement Day before the first day of the relevant Interest Period.

### 23. GOVERNING LAW AND JURISDICTION

#### 23.1 Governing Law

The Trust Deed, the Deed of Assignment and the Notes (including any non-contractual obligations arising out of or in connection with this Trust Deed) are governed by, and shall be construed in accordance with, English law. The provisions of Articles 470-1 to 470-19 of the Luxembourg Law of 10 August 1915 with respect to commercial companies as amended (*Loi du 10 août 1915 concernant les sociétés commerciales, telle que modifiée*) (including, with respect to meetings of Noteholders) are hereby expressly disappplied.

The Account Pledge Agreements and the Account Bank Agreement, and any non-contractual obligations arising out of or in connection with the Account Pledge Agreements and the Account Bank Agreement, are governed by, and shall be construed in accordance with, Luxembourg law.

#### 23.2 Jurisdiction

The Issuer and the Guarantors agree for the benefit of the Trustee that the courts of England shall, subject as follows, have exclusive jurisdiction to hear and determine any suit, action or proceedings which arise out of or in connection with the Trust Deed and the Notes (“**Proceedings**”) and, for such purposes, irrevocably submits to the jurisdiction of such courts. The submission by the Issuer to the exclusive jurisdiction of the Courts of England shall not (and shall not be construed so as to) limit the right of the Trustee to take Proceedings in any other court of competent jurisdiction nor shall the taking of Proceedings by the Trustee in any one or more jurisdictions preclude the taking of Proceedings by the Trustee in any other jurisdiction (whether concurrently or not) if and to the extent permitted by law.

The courts of Luxembourg are to have jurisdiction to settle any disputes which may arise out of or in connection with the Account Pledge Agreements and accordingly any such legal action or proceedings arising out of or in connection with any of the Account Pledge Agreements may be brought in such courts.

### **23.3 Appropriate Forum**

The Issuer and the Guarantors irrevocably waive any objection which they might have now or hereafter to the courts of England being nominated as the forum to hear and determine any Proceedings, and agree not to claim that any such court is not a convenient or appropriate forum.

### **23.4 Service of Process**

The Issuer and the Guarantors agree that the process by which any Proceedings in England are begun may be served on it by being delivered in connection with any Proceedings in England, to Law Debenture Corporate Services Limited, Fifth Floor, 100 Wood Street, London EC2V 7EX, or at any other address for the time being at which process may be served on such person in accordance the Companies Act 2006 (as modified or re-enacted from time to time). The Issuer and the Guarantors agree that if, for any reason, the appointment of any process agent appointed by them in or in accordance with this Condition ceases to be effective, they will immediately appoint a substitute process agent with an address for service in England, notify the Trustee of such appointment and of such substitute process agent's address for service and deliver to the Trustee evidence, in form and substance satisfactory to the Trustee, that such substitute process agent has accepted its appointment. Nothing in this Condition shall affect the right of the Trustee to serve process in any other manner permitted by law.

## **24. RIGHTS OF THIRD PARTIES**

No person shall have any right to enforce any term or condition of the Notes under the Contracts (Rights of Third Parties) Act 1999.

## FORM OF PRICING SUPPLEMENT

### Part 1

Set out below is the form of Pricing Supplement which will be completed for each Tranche of Notes issued under the Programme.

**PROHIBITION OF SALES TO EEA RETAIL INVESTORS** – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the EEA. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "MiFID II") or (ii) a customer within the meaning of Directive 2002/92/EC, as amended, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the "PRIIPs Regulation") for offering or selling the 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 the manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in Directive 2014/65/EU (as amended, MiFID II); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a distributor) should take into consideration the manufacturer's 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 manufacturer's target market assessment) and determining appropriate distribution channels.

**Pricing Supplement dated [date]**

**JML Finance (Luxembourg) S.à r.l.**

Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes] under the EUR 300,000,000 Global Medium Term Note Issuance Programme

Legal Entity Identifier 5299009S7DIV1EX46976

### PART A—CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions of the Notes (the "Conditions") set forth in the Offering Circular dated 25 July 2019. This document constitutes the Pricing Supplement of the Notes described herein and must be read in conjunction with the Offering Circular dated 25 July 2019, save in respect of the Conditions which are extracted from the Offering Circular dated 25 July 2019 and are attached hereto. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of this Pricing Supplement and the Offering Circular. The Offering Circular is available for viewing during normal business hours at [address], has been published on the website of the [●] at [●] and copies may be obtained from [address].

- |    |                                    |  |
|----|------------------------------------|--|
| 1. | (i) Issuer:                        | JML Finance (Luxembourg) S.à r.l.                                |
|    | (ii) Guarantors:                   | Julius Meinl Living PLC and Julius Meinl Living Holdings Limited |
| 2. | (i) Series Number:                 | [●]  |
|    | (ii) Tranche Number:               | [●]  |
| 3. | Specified Currency or Currencies:  | Euro (€)   |
| 4. | Aggregate Nominal Amount of Notes: |  |



- |     |   |  |
|-----|---|--|
|     | (i) Series:                                   | [●]  |
|     | (ii) Tranche:                                 | [●]  |
| 5.  | Issue Price:                                  | [●] per cent. of the Aggregate Nominal Amount                                    |
| 6.  | (i) Specified Denomination(s):                | [●]  |
|     | (ii) Calculation Amount:                      | [●]  |
| 7.  | (i) Issue Date:                               | [●]  |
|     | (ii) Interest Commencement Date:              | [●]  |
| 8.  | Maturity Date:                                | [[●]/Interest Payment Date falling on or nearest to [●]]                         |
| 9.  | Interest Basis:                               | [[●] per cent. Fixed Rate]<br>[[LIBOR / EURIBOR] +/- [●]per cent. Floating Rate] |
| 10. | Redemption/Payment Basis:                     | [100% of par]<br>[Instalment]<br>[Partly Paid]<br>[Other (specify)]              |
| 11. | Date approval for issuance of Notes obtained: | [●]  |

#### PROVISIONS RELATING TO SECURITY

- |     |                            |  |
|-----|----------------------------|--|
| 12. | Interest Reserve Account : | [insert details][See Annex]                |
| 13. | Intercompany Loan (s):     | [insert date and other details][See Annex] |
| 14. | Relevant Project Company   | [specify][See Annex]                       |
| 15. | Additional provisions      | ][Not Applicable][See Annex]               |

#### PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

- |     |                                       |   |
|-----|---------------------------------------|---|
| 16. | Fixed Rate Note Provisions:           | [Applicable/Not Applicable]   |
|     | Rate of Interest:                     | [●] per cent. per annum payable semi-annually in arrear   |
|     | Interest Payment Date(s):             | On [●] and [●] in each year   |
|     | Fixed Coupon Amount[(s)]:             | [●] per Calculation Amount  |
|     | Broken Amount(s):                     | [[●] per Calculation Amount payable on the Interest Payment Date falling [in/on] [●] / Not Applicable]  |
|     | Day Count Fraction:                   | [Actual/365 / Actual/Actual(ISDA) / Actual/365(Fixed) / Actual/360 / 360/360 / Bond Basis / 30E/360 / Eurobond Basis / Actual/Actual(ICMA)/ 30/360] |
|     | Interest Determination Date(s):       | [●] and [●] in each year  |
|     | Other terms relating to the method of | [Not applicable/give details]   |

calculating interest for Fixed Rate Notes:

17. Floating Rate Note Provisions: [Applicable/Not Applicable]
- Specified Interest Period(s): [•]
- Specified Interest Payment Dates: [•]
- First Interest Payment Date: [•]
- Business Day Convention: [FRN Convention/Floating Rate Convention/ Eurodollar Convention/Following Business Day Convention/Modified Following Business Day Convention/Modified Business Day Convention/ Preceding Business Day Convention/No Adjustment]
- Business Centre(s): [•]
- Manner in which the Rate(s) of Interest is/ are to be determined: [Screen Rate Determination/ISDA Determination]
- Party responsible for calculating the Rate(s) of Interest and/or Interest Amount(s) (if not the Calculation Agent): [•]
- Screen Rate Determination: [Applicable/not applicable]
- Reference Rate: [[•] month LIBOR/EURIBOR]
- Interest Determination Date(s): [•]
- Relevant Screen Page: [•]
- Reference Banks: [•]
- ISDA Determination: [Applicable/Not applicable]
- Floating Rate Option: [•]
- Designated Maturity: [•]
- Reset Date: [•]
- Margin(s): [+/-][•] per cent. per annum
- Minimum Rate of Interest: [•] per cent. per annum
- Maximum Rate of Interest: [•] per cent. per annum
- Day Count Fraction: [Actual/365 / Actual/Actual(ISDA) / Actual/365(Fixed) / Actual/360 / 360/360 / Bond Basis / 30E/360 / Eurobond Basis / Actual/Actual(ICMA)]
- Fall back provisions, rounding provisions, denominator and any other terms relating to the method of calculating interest on Floating Rate Notes, if different from those set out in the General Conditions: [•]
18. Zero Coupon Note Provisions: [Applicable/Not Applicable]
- (i) Amortisation Yield: [•] per cent. per annum
- (ii) Reference Price: [•]

(iii) Any other formula/basis of determining amount payable (including Day Count Fraction): [●]

#### PROVISIONS RELATING TO REDEMPTION

19. Issuer Call [Applicable/Not Applicable]
- (i) Optional Redemption Date(s): [●]
- (ii) Optional Redemption Amount and method, if any, of calculation of such amount: [●] per Calculation Amount
- (iii) If redeemable in part:
- (a) Minimum Redemption Amount: [●] per Calculation Amount
- (b) Maximum Redemption Amount: [●] per Calculation Amount
- (iv) Notice period (if other than as set out in the Terms and Conditions) [●]
20. Investor Put: [Applicable/Not Applicable]
- (i) Optional Redemption Date(s): [●]
- (ii) Optional Redemption Amount and method, if any, of calculation of such amount: [●] per Calculation Amount
- (iii) Notice period (if other than as set out in the Terms and Conditions) [●]

#### GENERAL PROVISIONS APPLICABLE TO THE NOTES

21. Financial Centre(s): [Not Applicable/[●]]
22. Form of Notes Registered
23. Calculation Agent: [●]

#### [THIRD PARTY INFORMATION

[●] has been extracted from [●]. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by [●], no facts have been omitted which would render the reproduced information inaccurate or misleading.]

Signed on behalf of the Issuer:

By:

Duly authorised

## PART B—OTHER INFORMATION

### 1. LISTING

- (i) Listing and admission to trading: [Luxembourg Euro MTF/other/None]  
*(The Offering Circular has not been approved as a base prospectus for the purposes of the Prospectus Regulation, as amended and, accordingly, an admission to trading may not be applied for on any market in the EEA designated as a regulated market for the purposes of that Directive).*
- (ii) Estimate of total expenses related to admission to trading: [•]

### 2. [RATINGS]

- Ratings: The Notes to be issued [have been/are expected to be] rated:
- [S & P: [•]]
- [Moody's: [•]]
- [Fitch: [•]]
- [Other: [•]]
- [Not Applicable]

### 3. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE [ISSUE/OFFER]

[Save for any fees payable to the [Managers/Dealers], so far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer. The [Managers/Dealers] and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer and banking transactions with, and may perform other services for, the Issuer and its affiliates in the ordinary course of business. *(Amend as appropriate if there are other interests)*]

### 4. REASONS FOR THE OFFER, ESTIMATED NET PROCEEDS AND TOTAL EXPENSES

- (i) Reasons for the offer: The net proceeds will be used to fund the acquisition pipeline of the Group.
- (ii) Estimated net proceeds: [•] after deduction of management and underwriting commissions and fees and expenses of the Managers' and the Issuer's legal advisers.
- (iii) Estimated total expenses: [•] including fees and expenses of the Managers' and the Issuer's legal advisers (but excluding the management and underwriting commissions).]

### 5. Fixed Rate Notes only—YIELD

- Indication of yield: [•]
- The yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield. ]

### 6. OPERATIONAL INFORMATION

- ISIN: [•]
- Common Code: [•]
- Any clearing system(s) other than Euroclear Bank SA/NV and Clearstream Banking, S.A., and the relevant identification number(s): [•]

Names and addresses of additional Paying Agent(s) (if any): [●]

Stabilising Manager(s): [●]

## 7. DISTRIBUTION

Additional selling restrictions: [Not applicable/give details]

## ANNEX

*[Further details of Interest Reserve Account and Intercompany Loan to be included]*

In addition to the Security described in the Terms and Conditions of the Notes, the additional obligations of the Issuer under, or in connection with, these Notes, the Trust Deed and the other Transaction Documents are secured in favour of the Trustee (for itself and as trustee for the other Secured Parties in respect of these Series of Notes only) by a first ranking Luxembourg law governed pledge over the Interest Reserve Account pursuant to the Interest Reserve Account Pledge Agreement (as defined below), and the Supplemental Trust Deed (as defined below).

The Issuer, as pledgor, has entered into a pledge agreement (the “**Interest Reserve Account Pledge Agreement**”), dated [●] governed by Luxembourg law, with the Issuer granting a first ranking Luxembourg law governed pledge over the Interest Reserve Account (as defined below).

“**Interest Reserve Account**” means the Euro bank account held by the Issuer with the Account Bank (or such replacement account as the Trustee may approve from time to time) in which the amount for payments of Interest under the Notes for the period from, and including, the Issue Date, to but excluding [*insert 2nd interest payment date*], is paid to by the Issuer from the proceeds of the Notes (as further described in the supplemental Trust Deed dated [●]).

“**Supplemental Trust Deed**” means a supplemental trust deed dated [*the Issue Date of the Notes*] between the Issuer, the Guarantors and the Trustee as trustee for the Noteholders and security trustee for the Secured Parties in respect of these Notes only (and includes the Conditions for these Series of Notes).

A copy of each of the Interest Reserve Account Pledge Agreement and the Supplemental Trust Deed is available for inspection upon request during usual business hours at the principal office of the Trustee (presently at One Canada Square, London E14 5AL) and at the specified offices of the Paying Agents and the Transfer Agents.

*[Additional provisions to be included as needed]*

## SUMMARY OF PROVISIONS RELATING TO THE NOTES WHILE IN GLOBAL FORM

### Clearing System Accountholders

References in the Terms and Conditions of the Notes to “Noteholder” are references to the person in whose name such Global Note is for the time being registered in the Register which, for so long as the Global Note is held by or on behalf of a depositary or a common depositary for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system, will be that depositary or common depositary or a nominee for that depositary or common depositary.

Each of the persons shown in the records of Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system as being entitled to an interest in a Global Note (each an “**Accountholder**”) must look solely to Euroclear and/or Clearstream, Luxembourg and/or such other relevant clearing system (as the case may be) for such Accountholder’s share of each payment made by the Issuer to the holder of such Global Note or Global Note and in relation to all other rights arising under the Global Note. The extent to which, and the manner in which, Accountholders may exercise any rights arising under the Global Note will be determined by the respective rules and procedures of Euroclear, Clearstream, Luxembourg and any other relevant clearing system from time to time. For so long as the relevant Notes are represented by the Global Note, Accountholders shall have no claim directly against the Issuer in respect of payments due under the Notes and such obligations of the Issuer will be discharged by payment to the registered owner of the Global Note.

### Exchange of Global Notes

Whenever a Global Note is to be exchanged for Individual Note Certificates, the Issuer shall procure that Individual Note Certificates will be issued in an aggregate principal amount equal to the principal amount of the Global Note within five business days of the delivery, by or on behalf of the holder of the Global Note to the Registrar of such information as is required to complete and deliver such Individual Note Certificates (including, without limitation, the names and addresses of the persons in whose names the Individual Note Certificates are to be registered and the principal amount of each such person’s holding) against the surrender of the Global Note at the Specified Office of the Registrar. Such exchange will be effected in accordance with the provisions of the Agency Agreement and the regulations concerning the transfer and registration of Notes scheduled thereto and, in particular, shall be effected without charge to any holder, but against such indemnity as the Registrar may require in respect of any tax or other duty of whatsoever nature which may be levied or imposed in connection with such exchange.

If:

- (a) Individual Note Certificates have not been delivered by 5.00 p.m. (London time) on the thirtieth day after they are due to be issued and delivered in accordance with the terms of the Global Note; or
- (b) any of the Notes represented by a Global Note (or any part of it) has become due and payable in accordance with the Terms and Conditions of the Notes or the date for final redemption of the Notes has occurred and, in either case, payment in full of the amount of principal falling due with all accrued interest thereon has not been made to the holder of the Global Note in accordance with the terms of the Global Note on the due date for payment,

then the Global Note (including the obligation to deliver Individual Note Certificates) will become void at 5.00 p.m. (London time) on such thirtieth day (in the case of (a) above) or at 5.00 p.m. (London time) on such due date (in the case of (b) above), and the holder of the Global Note will have no further rights thereunder (but without prejudice to the rights which the holder of the Global Note or others may have under the Deed of Covenant). Under the Deed of Covenant, persons shown in the records of Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system as being entitled to an interest in a Global Note will acquire directly against the Issuer all those rights to which they would have been entitled if, immediately before the Global Note became void, they had been the holders of Individual Note Certificates in an aggregate principal amount equal to the principal amount of Notes they were shown as holding in the records of Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system.

## **Conditions Applicable to Global Notes**

Each Global Note will contain provisions which modify the Terms and Conditions of the Notes as they apply to the Global Note. The following is a summary of certain of those provisions:

### ***Payments***

All payments in respect of the Global Note will be made against presentation and (in the case of payment of principal in full with all interest accrued thereon) surrender of the Global Note at the Specified Office of any Paying Agent outside the United States and will be effective to satisfy and discharge the corresponding liabilities of the Issuer in respect of the Notes.

### ***Exercise of Put Option***

In order to exercise the option contained in Condition 10.8 (*Redemption at the Option of Noteholders and Exercise of Noteholders' Options*), if applicable in respect of a Series of Notes, the holder of the Global Note must, within the period specified in the Conditions for the deposit of the relevant Note and put notice, give written notice of such exercise to the Principal Paying Agent specifying the principal amount of Notes in respect of which such option is being exercised. Any such notice will be irrevocable and may not be withdrawn.

### ***Partial Exercise of Call Option***

In connection with an exercise of the option contained in Condition 10.5 (*Redemption at the Option of the Issuer*), if applicable in respect of a Series of Notes, in relation to some only of the Notes or Global Note may be redeemed in part in the principal amount specified by the Issuer in accordance with the Conditions and the Notes to be redeemed will not be selected as provided in the Conditions. The rights of account holders with a clearing system in respect of the Notes of such Series will be governed by the standard procedures of Euroclear, Clearstream, Luxembourg (to be reflected as either a pool factor or a reduction in principal amount, at their discretion) and/or other clearing system. For the avoidance of doubt, if the Notes are listed on the official list of the Luxembourg Stock Exchange and admitted to trading on the Euro MTF and the rules of that exchange so require, such notices shall also be published in a leading newspaper having general circulation in Luxembourg.

### ***Notices***

Notwithstanding Condition 20 (*Notices*), while all the Notes are represented by a Global Note and the Global Note deposited with a depositary or a common depositary for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system or a common safekeeper, notices to Noteholders may be given by delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system and, in any case, such notices shall be deemed to have been given to the Noteholders in accordance with Condition 20 (*Notices*) on the date of delivery to Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system, except that, for so long as such Notes are admitted to trading on the Euro MTF market and the rules of that exchange so require, notice shall also be published in a leading newspaper having general circulation in Luxembourg.

### ***Redenomination***

If the Notes are redenominated pursuant to Condition 22 (*Redenomination*), then following redenomination:

- (a) if Individual Note Certificates are required to be issued, they shall be issued at the expense of the Issuer in such denominations as the Principal Paying Agent or, as the case may be, the Registrar shall determine and notify to the Noteholders; and
- (b) the amount of interest due in respect of Notes represented by a Global Note will be calculated by reference to the aggregate principal amount of such Notes and the amount of such payment shall be rounded down to the nearest Euro 0.01.

### ***Record Date***

The Record Date under Condition 11.1 (ii) (*Record Date*) for any Global Note will be the close of business on the Clearing System Business Day immediately prior to the due date for such payment, where “**Clearing System Business Day**” means a day on which each clearing system for which the Global Note is being held is open for business.

### ***Payment Business Day***

In the case of a Global Note, if the currency of payment is euro, a “Payment Business Day” shall be any day which is a TARGET Settlement Day and a day on which dealings in foreign currencies may be carried on in each (if any) Additional Financial Centre; or, if the currency of payment is not euro, a “**Payment Business Day**” shall be any day which is a day on which dealings in foreign currencies may be carried on in the Principal Financial Centre of the currency of payment and in each (if any) Additional Financial Centre.



## DESCRIPTION OF THE GROUP

### Overview

The Group represents a newly established business line of the House of Julius Meinl called ‘Julius Meinl Living’. The Group invests, and, as of the date of this Offering Circular, intends to become a major owner, developer and operator, in the serviced residences sector. Serviced residences, also called apart-hotels, extended stays, serviced apartments or all-suite hotels, are an established alternative to classical hotels mainly in the United States and certain parts of Western Europe, Asia and Australia. The Group aims to be one of the first movers in the serviced residences sector in the CEE, SEE and the wider European region by rolling out its concept across the capital cities of the region. The Group is currently developing its first project in Prague, Czech Republic, which, as of the date of this Offering Circular, is planned to commence operations in 2021. In addition, the Group is currently evaluating a pipeline of further projects in Belgrade (Serbia), Bucharest (Romania), Budapest (Hungary) as well as in other cities. The Group also undertakes certain ancillary activities in the area of property development and property management, mainly the provision of services for projects of the Group, but also for projects owned by other entities such as the development of the Grand Hotel Evropa in Prague, which is planned to become a “W”, the luxury lifestyle hotel chain by owned Marriott International.

Rooms in serviced residences are typically leased for periods from a few days to several months. Therefore, serviced residences represent a mix between traditional hotel accommodation and residential housing, and seek to combine the advantages of both, in the form of central location and comfort, larger space, own kitchen and a working area similar to residential housing. Serviced residences are particularly well adapted to corporate travellers, for whom they represent a compelling alternative to hotels.

The Issuer is a special purpose company established solely for the purposes of issuance of the Notes. It is a sister company of the Group’s holding company Julius Meinl Living Holdings Limited, a limited liability company registered under the laws of Malt, which is a Guarantor of the Notes (see “– Group Structure” below). The other Guarantor, Julius Meinl Living PLC, is the parent company of the Group with no material activities. The Group is part of the ‘House of Julius Meinl’, which through different holding structures represents the interests of the Julius Meinl family. Established in Austria, Julius Meinl has been present in branded consumer goods such as coffee and confectionery and in retail since 1862, and has also diversified into banking, real estate and advisory in the last decades. The entities under the House of Julius Meinl umbrella are privately held by entities representing the interest of members of the Julius Meinl family. The general strategy of the House of Julius Meinl has been to identify market demand gaps, build or acquire related assets, create a brand and roll out its concept over several countries, especially in CEE, SEE and the Commonwealth of Independent States (“CIS”). As of the date of this Offering Circular, it plans through the Group to apply this knowhow to the identified demand gap in serviced residences in Europe.

The Group plans mainly to own the properties in which its serviced residences will be located and to manage them through its own property management company, however, in some cases, it may choose only to provide property management services or outsource part or all operations to a third party. As of the date of this Offering Circular, the Group, through PPH Nove Mesto, a 75 per cent. owned subsidiary, owns one property in Prague located at Senovážné náměstí 3, consisting of three historical buildings (the “Prague Property”). The Prague Property has a net development value of EUR 62.7 million according to a valuation report prepared by Cushman & Wakefield in May 2019 (the “Valuation Report”).

The Group’s management team has extensive experience in the real estate sector in the CEE, SEE and the CIS region, with a particular expertise in asset and property management and development.

### Information about the Group

#### *History and Development of the Group*

While the Group was founded in 2016 and the Issuer was founded in 2019, the House of Julius Meinl has extensive experience in the real estate sector in the CEE, SEE and CIS region, gained mainly through its former involvement in Meinl European Land and current involvement in Fulcrum, which is owned through another entity under the House of Julius Meinl umbrella. Overall, the executive leadership of the Group developed approximately one million square metres of gross leasable area, of which Meinl European Land

accounted for over nine hundred thousand. In addition, Meinl European Land had pipeline development projects with over one and a half million square meters of gross leasable area. These projects were together worth close to EUR 4 billion, of which Meinl European Land accounted for over EUR 3.6 billion. Anchor tenants included Metro, Ahold or Rewe.

Between 1997 and 2004, Meinl Bank was a co-investor in Meinl European Land, which was an investor, operator, manager and developer of large-scale retail real estate in the CEE, mainly of shopping centres. Following the listing of Meinl European Land on the Vienna Stock Exchange in 2002, Meinl Bank gradually sold its stake in the company but continued until 2008 to provide it with investment advisory services, through its subsidiary Meinl European Real Estate. Meinl European Land increased its total assets from EUR 72 million in 2002 to EUR 6.9 billion in 2008.

More recently, in 2012, Fulcrum was established under the House of Julius Meinl umbrella, capitalizing on the experience gained with Meinl European Land. Fulcrum invests in, develops, operates and manages retail real estate in the CEE, SEE and CIS region. To date, Fulcrum has invested in, among other things, three shopping centres in Russia and Poland.

In addition, in 2013, the House of Julius Meinl established Julius Meinl Prime Homes, s.r.o. (“**Julius Meinl Prime Homes**”), through which it developed residential and hospitality real estate projects in capital cities in Central Europe, mainly in Prague. Primary focus was on unreconstructed neo-classical residential properties in the city centre, which were renovated and then sold. The overall volume of projects that have been realized or are under development by Julius Meinl Prime Homes amounts to approximately EUR 160 million as of the date of this Offering Circular. The projects included, for example, Pechackova Luxury Residence and a four-star hotel project in Prague, both exited in 2015. As of the date of this Offering Circular, Julius Meinl Prime Homes is developing the Grand Hotel Evropa in Prague, which is currently under reconstruction and is planned to be operated as a five-star hotel with a management agreement from the luxury chain W Hotels Worldwide, the lifestyle luxury brand of Marriott International. Grand Hotel Evropa in Prague is majority owned by another entity under the House of Julius Meinl umbrella and is intended to be sold after completion of the development. In addition, Julius Meinl Prime Homes is developing a high-end residential building in the city centre of Prague, which is due to be completed by mid-2019.

The Group is now investing in and intends to operate properties in the serviced residences sector in the CEE, SEE and the wider European region. In August 2016, both Guarantors were founded. Further, in August 2016, the Group, through Julius Meinl Living Holdings Limited, acquired a 100 per cent ownership interest in JULIUS MEINL LIVING CZ s.r.o. (“**Julius Meinl Living CZ**”).

Between September 2016 and March 2018, the Group, through Julius Meinl Living Holdings Limited, also owned MBF, incorporated in the Czech Republic. MBF was a special purpose company, which owned 13 residential properties in Ostrava and the surrounding cities, all in the Czech Republic. It had a portfolio size of approximately EUR 10 million as of 31 December 2017 based on a valuation report prepared by Ernst & Young. The disposal was due a decision to focus on the serviced residences sector. The Guarantor’s Consolidated Financial Statements include MBF and its results within the consolidated statement of total comprehensive income (in the latter case until March 2018), even though this company is no longer part of the Group. The consolidated statements of financial position as of 31 December 2017 and 2016 include MBF, however due to the disposal in March 2018, the consolidated statement of financial position as of 31 December 2018 does not include MBF anymore (see “*Presentation of Financial and Other Information*” for more information).

In July 2018, the Group acquired a 75 per cent. ownership interest in PPH Nove Mesto from Julius Meinl Funds, another entity under to the House of Julius Meinl umbrella, which as of the date of this Offering Circular continues to hold the remaining 25 per cent. PPH Nove Mesto is a special purpose property company which owns the Prague Property located at Senovážné náměstí 3 in Prague, where the Group’s first project is intended to be located (see “– *Existing Projects*” below).

In December 2018, Julius Meinl Prime Homes was transferred to Julius Meinl Living. The Group plans that Julius Meinl Prime Homes will continue to provide development management and property management services in relation to real estate owned by the Group but also in relation to selected other projects whose real estate is owned by third parties.

In March 2019, the Issuer was founded as the financing special purpose company for the Group.

### ***Corporate Information***

The Issuer was incorporated on 13 March 2019 as a limited liability company (*Société à responsabilité limitée*) under the laws of the Grand Duchy of Luxembourg. The registered office of the Issuer is at 6 rue Dicks, L-1417 Luxembourg, Grand Duchy of Luxembourg and its telephone number : +352 20 600 100. The Issuer exists under the laws of the Grand Duchy of Luxembourg and is registered in the Luxembourg Register of Trade and Companies (*Registre de Commerce et des Sociétés Luxembourg*) under number B232847.

Julius Meinl Living PLC was incorporated on 9 August 2016 as a public limited company under the laws of Malta. The registered office of the Issuer is at Office 16, Verdala Business Centre, 1<sup>st</sup> floor, LM Complex, Brewery Street, Birkirkara BKR 3000, Malta, and its telephone number +356 21335520. The company exists under the laws of Malta with company registration number C76799.

Julius Meinl Living Holdings Limited was incorporated on 18 August 2016 as a limited company under the laws of Malta. The registered office of the Issuer is at Office 16, Verdala Business Centre, 1<sup>st</sup> floor, LM Complex, Brewery Street, Birkirkara BKR 3000, Malta, and its telephone number +356 21335520. Julius Meinl Living Holdings Limited exists under the laws of Malta and is registered in the Commercial Register of Malta under number C76910.

### ***Principal Investments***

This section contains an overview of the Group's principal investments made since 30 September 2018 and of the principal future investments in relation to which the Group's management has made firm commitments as of the date of this Offering Circular.

Since the date of the last published financial statements of Julius Meinl Living PLC (i.e. 31 December 2018), the Group has made principal investments in the total amount of approximately EUR 766 thousand in connection with the Prague Property (see “– Existing Projects” below), including particularly development and construction costs and costs related to financing. The Issuer has included information on investments made since 31 December 2018 because information on principal investments made since the day of the Issuer's last published financial statement would not be as meaningful.

As of the date of this Offering Circular, the management of the Group has made no further principal investment commitments, except a commitment of approximately EUR 19,611 thousand related to the design of the Group's Prague Project (see “– Existing Projects” below). As of the date of this Offering Circular, the management of the Group intends to finance all investments on which it has made firm commitments from its existing resources, using existing indebtedness and equity, i.e., without any new bank or other external sources of financing.

### **The Group's Business**

#### ***Principal Activities***

The Group represents a newly-established business line of the House of Julius Meinl umbrella in the sector of serviced residences, under the name “Julius Meinl Living”. The Group plans to acquire and develop properties in capital and other major cities in the CEE, SEE and broader European region and operate them as serviced residences through its own property management company. The Group is currently developing its first projects (see “– Existing Projects” below).

#### ***Serviced Residences***

Serviced residences represent an increasingly popular alternative accommodation, a mix between a traditional hotel and residential housing. There are various terms attributed to serviced residences such as extended-stay properties, aparthotels or all-suite hotels. All these terms correspond to fully furnished accommodations that are typically leased for a short-term period, typically five days or more. However, differences exist between serviced residences depending on the service offerings such as minimum stay requirements, location, room size and ancillary services. Serviced residences are generally integrated within a stand-alone building but can

also be part of a mixed-use property or a full-service hotel. As opposed to hotel rooms, serviced residences are more spacious, suitable for longer-stay and feature a fully-equipped kitchen or limited kitchenette.

The typical guests of serviced residences are corporate travellers who come to a city for one week or more and look for a more residential type of accommodation. Serviced residences are often rented out by companies as accommodation for senior executives coming on secondments. Globally, corporate travellers account for 73 per cent. of occupancy, and for 60 per cent. in Europe (source: Acomodeo AG). Also, the market share of aparthotels in the business travel segment appears to be rising, with the percentage of all nights spent by the business travel segment in aparthotels as compared to hotels rising from approximately 4 per cent. in 2013 to an estimated 7 per cent. in 2020 (source: Acomodeo AG).

Serviced residences often provide better value for money than traditional hotels, especially if the length of stay exceeds a week. Central location and proximity to business districts are key for corporate guests. Lower priced serviced residences also often appeal to family leisure travellers as this segment sees the cost saving benefits provided by the kitchen and the flexibility of the product. To meet the needs of leisure travellers, serviced residences have to be located in the city centre and close to restaurants, shopping areas, museums and other tourist attractions.

### *The Group's Business Model*

The Group aims to be an owner, developer and operator of serviced residences. The Group's management aims to have approximately 100 to 150 apartments in its typical serviced residence, located in the city centre or close to the business district, and to provide ancillary services such as restaurants or bistros, meeting and co-working areas, relaxation and parking spaces. However, the Group may also undertake projects of different sizes or split of services offered, provided that such projects appear commercially attractive. In its serviced residences, the Group's management seeks to combine the advantages of residential housing and hotels to provide a better customer experience. It plans to offer more space than typical hotels and homelike privacy, so that the Group's guests can enjoy living like locals when travelling.

The Group's management plans most of the apartments to include a living area with a fully functioning kitchen, a sleeping area or separated bedroom, separated bathroom and a working area and, to the extent possible, co-working areas suiting a wide spectrum of needs.

Further, the Group plans to outsource the operation of the restaurants or bistros in its serviced residences, thus allowing it to focus on its core activity. The Group's management believes that clients tend not to use all services provided by hotels and appreciate the possibility to choose their level of service.

The Group's management expects that, due to its focus on the business or corporate travel sector, some of its apartments will be leased for longer periods than hotels, from a few days to several months. The Group's serviced residences will therefore be particularly adapted to corporate travellers who enjoy a home-like place to stay and the possibility to use co-working areas.

The Group plans generally to offer four different apartment types in its serviced residences:

- Rooms: comparable to hotel rooms with approximately 25 square metres, to be typically rented out to guests staying for a shorter period;
- Studios: sleeping area and integrated living area of approximately 30 to 35 square metres;
- One bedroom apartments: living area and separated bedroom of approximately 40 to 50 square metres; and
- Two bedroom apartments: living area and two bedrooms in excess of approximately 60-70 square metres.

The Group aims to establish its serviced residences with a particular focus on high-class laid-back comfort. The Group's serviced residences are intended as luxury second homes, a comfortable spacious living space for its guests to meet the needs and wishes of today's city travellers.

The Group's management views as the main advantages of serviced residences when compared to hotels a generally higher anticipated profitability margin and occupancy rate. In European cities where serviced residences are already an established market presence, such as the United Kingdom and Germany, serviced residences occupancy is 78 per cent. and 74 per cent., respectively as compared to 72 per cent. and 66 per cent., respectively, for hotels (source: PWC "Best Places to Grow" report, 2017/18). This, combined with lower operating costs, is reflected in profitability where industry EBITDA margins are approximately 35 per cent. for hotels and 50 per cent. for serviced residences (source: STR Global, Serviced Apartment Summit Europe).

The Group also plans to benefit from a flexible organization as serviced residences are likely to require a smaller permanent workforce when compared to hotels, due to the smaller number of services offered. Overall, the Group's management aims for its serviced residences to present a compelling alternative to four-star hotels whose rooms are generally more expensive and smaller.

In keeping with its objectives, the Group's management plans to tailor its serviced residences mainly to corporate travellers coming to a city for a week or more and looking for a more residential type of accommodation rather than a usual hotel room, providing for increased comfort. Serviced residences are commonly rented by companies for executives on secondments for projects or training. However, the Group plans to cater also to leisure travellers as serviced residences are a credible and cost-effective alternative, especially for longer stays, group travel or families, offering in-house entertainment whilst allowing savings on dining out. In addition, the Group plans to attract millennials travelling on business who may prioritize lifestyle flexibility and options in terms of food and beverage above certain luxury elements in traditional hotels.

As a result of the client categories staying at serviced residences, the location of the Group's serviced residences will be in the city centre close to the main business and office areas with proximity to restaurants, shopping areas, museums and other tourist attractions.

### ***Principal Markets***

The Group plans to focus on the hospitality sector, particularly serviced residences, in CEE, SEE and the wider European Region. As of the date of this Offering Circular, the Group owns, through a 75 per cent. - owned subsidiary, one property that it is developing to become its first serviced residence. Thereafter, the Group plans to expand into other CEE countries, as well as Western European countries (see "*Business Plan Outlook*" for more information).

The Group's serviced residences compete with a wide range of facilities offering various types of lodging options and related services to the public. The main competition includes hotels, residential housing and apartments offered via organisations such as Airbnb and, where already present, serviced residences under established international brands.

### ***Competitive Strengths***

Management believes that the Group benefits from the following key strengths and advantages, related to its business model, geographical focus and historical activities:

- **Seasoned shareholder with real estate experience:** during more than 150 years of its existence, the Julius Meinl family has been active in diverse consumer goods industries and various types of real estate, with a particular focus on CEE, SEE, CIS and the wider European region. In addition, its executive leadership have already successfully led several projects from inception through roll-out to maturity.
- **Brand:** the Group's management believes that operating its serviced residences under the House of Julius Meinl umbrella may be a key success factor as brand awareness has the potential to maximise initial interest, even before guests become familiar with the product and its advantages over hotels, and to establish itself as a trusted quality standard that draws repeat customers in the cities where it is active.
- **Lower rates and higher occupancy:** the Group's management believes that its serviced residences will be cost effective for guests as serviced residences can generally be booked at a price comparable to that

of a hotel room in a lower category; the Group's management aims thereby to exploit this benefit for the customer in order to optimize revenue through achieving higher average occupancy rates than hotels.

- **Lower operating costs:** the Group's management aims to operate its serviced residences at a lower cost level than typical hotels, mainly due to the lower level of service requiring a smaller number of staff.

### *Strategy*

The Group's aim is to establish itself as a leading brand, developer, owner and operator in the serviced residences sector in Europe, with an initial focus primarily on the CEE and SEE regions. The Group's strategy follows an opportunistic approach guided by the following principles:

- **Focus on the opportunity of an underdeveloped and fragmented market:** the serviced residences sector in Europe is underdeveloped and fragmented, even more so in the CEE and SEE region, and the Group believes it can be one of the first movers.
- **Achieve scale:** the Group's management aims to achieve critical mass and thereby cost savings and network effects through a focus on scale efficient sites and the envisaged roll-out in the initial target region and beyond.
- **Focus on serviced residences:** the Group believes that serviced residences represent an alternative accommodation option for travellers that is increasingly attractive for all stakeholders. It expects its aparthotels to be high quality, scale efficient, located in city centre locations and to provide only selected ancillary services tailored to today's travel habits, in the areas of food and beverage, co-working/meeting, relaxing, parking and others. Target customers are in particular corporate travellers, but the offering is expected to be equally attractive to leisure travellers. The extent of the offering and additional services will depend on the individual project and the possibility to establish facilities.
- **Build a branded business:** the Group plans to operate its serviced residences under the umbrella of the House of Julius Meinl, under a trading name that reflects the values and heritage of Julius Meinl whilst placing it in an appropriate context.
- **Property ownership and operation, but not exclusively:** the Group plans to be a long-term owner of the properties it acquires as it believes this will maximise value creation. However, the Group does follow an opportunistic approach and might also enter into arrangements other than property ownership, such as management or lease agreements. Generally, the Group plans to operate its serviced residences through its own internal property management unit; it may, however, under certain circumstances, outsource some or all of the operational services to third parties.
- **Leverage property development expertise:** where appropriate, the Group's management aims to leverage its property development expertise to enhance value creation, including own in-house development projects, development partnerships, forward purchase agreements.
- **Focus on funding:** to optimise returns, income and manage risks, the Group will focus on maximising the sources of funding at its disposal, including equity and debt instruments.

### *Existing Project*

The Group, through Julius Meinl Prime Homes as development manager, is currently developing its first project in Prague, the Czech Republic. The table below sets out key information about the project as of the date of this Offering Circular:

<b>Project Location</b>	<b>Scheduled Opening</b>	<b>Expected Development Costs<sup>(1)</sup></b>	<b>Property Value</b>	<b>Number of Apartments</b>	<b>Total Area</b>	<b>Net</b>	<b>Average Apartment Size</b>
		<i>(in EUR million)</i>					<i>(in square meters)</i>
Prague	2021	53.0	62.7 <sup>(2)</sup>	168	12,919		40

Notes:

(1) Including land and financing costs.

(2) Source: Valuation Report.

The Prague Property is located at Senovážné náměstí 3 in the historical centre of Prague and close to the main retail streets Na příkopě and Wenceslas Square (Václavské náměstí) as well as office buildings such as Florentinum, Palladium, or Myslbek. The Property is easily accessible by both car and public transportation, approximately 25 minutes by car (15 km) from the Prague Václav Havel airport and a five-minute walk from the Prague main train station. The property is also near a main arterial road, linking Ustí nad Labem and Germany on one side to Brno, Bratislava and Vienna on the other. The property is well serviced by local public transportation. The nearest tram and bus stop is on the square where the property is located and two metro stations, Náměstí republiky and Můstek, are located several hundred metres from the Prague Property. These transportation links provide quick and easy public access around the city of Prague.

The Prague Property consists of three historical buildings. Demolition and grounding works completed in December 2018 and as of the date of this Offering Circular, the construction tender was ongoing with construction commencement planned for the third quarter of 2019. The site development is scheduled to be completed by mid-2021.

After the reconstruction and development, the serviced residence is planned to include 168 upscale apartments with an average size of approximately 40 square metres, a restaurant or a bistro with 60 to 80 seats and total area of approximately 340 square metres, a 47 square metres retail unit, a 34 square metres fitness area, as well as conference space (meeting lounge and rooms) of approximately 348 square metres situated on the ground floor. It is also to offer 29 underground parking places located in the basement. Opening is scheduled for mid-2021.

As of the date of this Offering Circular, the Group intends to operate itself the aparthotel element, the co-working/meeting room space and parking itself under the umbrella of the House of Julius Meinl brand, while it plans to lease the restaurant and retail parts of the site to reputable third-party operators active in the region.

The following table sets out the estimated performance of the Prague Property in years one to four after commencement of operations. The information is indicative only and is based on the assumption that during this period, the Prague Property achieves a stabilised average daily rate of EUR 154 and stabilised occupancy of 79 per cent. The information has been prepared by Cushman & Wakefield based on their assessment of the competitive environment, knowledge of industry norms, the Prague aparthotel market, the specific nature of the Prague Property and their expectations of the performances achievable by the property. Actual performance may differ. Please see also “Important Notice - Forward-Looking Statements” for more information.

	Year 1 <sup>(1)</sup>	Year 2 <sup>(1)</sup>	Year 3 <sup>(1)</sup>	Year 4 <sup>(1)</sup>
	<i>(in EUR millions)</i>			
Apartment revenue	5.6	6.4	7.0	7.5
Miscellaneous income	0.3	0.3	0.3	0.4
Total revenue	5.9	6.7	7.3	7.9
EBITDA	3.3	3.8	4.2	4.5

Notes:

(1) Forecast estimates from opening date in future values.

The following table sets out the planned apartment split in the Prague Property:

Apartment Type	Area in square metres	Percentage of Apartments
Small rooms	23 to 26	28 %
Non-standard rooms	29 to 35	13 %
One bedroom	38 to 44	43 %
Two bedroom (small)	40 to 50	13 %
Two bedroom (large)	60	4 %

Based on a market analysis by Cushman & Wakefield, the Group expects that due to the location, the standards of the planned serviced residence and the services offered, the highest proportion of room nights will be generated by corporate clientele, particularly business individuals arriving to Prague by car from the neighbouring countries. This is mainly because office buildings located in the city centre are walking distance and can easily be reached from the property by both public and private transport. The parking facility is expected to represent a key advantage for this clientele. Overall, according to Cushman & Wakefield, the

location of the property is expected to benefit the Group's business and is expected to serve as a good base for occupancy and may allow the Group to charge higher rates to the remaining clientele.

The property is owned by PPH Nove Mesto, a 75 per cent.-owned special purpose Group entity incorporated in the Czech Republic. As of the date of this Offering Circular, PPH Nove Mesto is in negotiations with counterparties for a loan in the amount of approximately EUR 25 million for the development of the Prague Property. This loan may be secured by a mortgage over the Prague Property.

Once development is completed, the Group plans to operate the property through Julius Meinl Living CZ.

### ***Planned Projects***

In addition to the Prague Property, the Group is currently evaluating a pipeline of further projects in Belgrade (Serbia), Bucharest (Romania), Budapest (Hungary) as well as in other cities, both greenfield developments and reconstructions. These projects are at different stages of advancement such as exclusive negotiations or participation in tenders. Although the Group's management cannot provide any assurance as to whether and when it may acquire or otherwise secure the properties in the Group's pipeline, its target is over the next three to six years to acquire as at least fifteen properties (including the Prague Property). The average development value for the properties is expected to range from EUR 50 to 70 million. All acquisitions of new properties will be made only following due diligence and commercial assessment, will take into account learnings from prior acquisitions (and aparthotel openings by the Group) and will depend on the availability of funding.

### ***Ancillary Activities***

Through Julius Meinl Prime Homes, the Group also undertakes certain ancillary activities in the area of property development management. As of the date of this Offering Circular, the Group provides these services to PPH Nove Mesto and plans to provide these services also in relation to follow-on projects.

In addition, Julius Meinl Prime Homes provides similar services to other companies under the House of Julius Meinl umbrella on the basis of development management agreements. For these services to third parties, Julius Meinl Prime Homes is entitled to a monthly fee and a bonus in the form of a profit share in the project once completed, whereby the conditions of such fees vary from project to project. As of the date of this Offering Circular, Julius Meinl Prime Homes acts as development manager for the Grand Hotel Evropa project on the Václavské náměstí in Prague, which is under development and which will become a 150 rooms five-star luxury lifestyle hotel operated by "W", the luxury lifestyle hotel chain owned by Marriott International. It also acts as development manager for a luxury residential project in the city centre of Prague.

### ***Marketing and Sales Channels***

The Group aims to use different marketing and sales channels depending on the various target guest groups.

For guests from the corporate sector, the Group expects to reach out directly through in-house sales staff. This establishes contact with companies in the respective markets with the aim of entering into corporate contracts. Such contracts could be standard corporate rate agreements offering certain price benefits and may also include a minimum capacity to be taken up by the company per year. An indirect approach to the same end-users can also be taken via international corporate travel agents. In addition, the Group plans to target corporate clients through request for purchases, tendering processes organized by large consortia or multinational companies as such entities select not more than five hotels per location. Finally, the Group plans to use its webpage, where the Group can manage its own pricing strategy other conditions such as early check in or cancelling through its webpage. This sales channel has the chance to gain importance with the growth of the Group.

For guests from the leisure segment, the Group expects to rely on its webpage and on-line travel agents such as Booking.com, HRS, hotel.de or trivago.com. These agents are direct channels where hotels manage via own profiles the room stock and price level, as well as packaging offers. The agents are typically entitled to a commission in the range of 15 to 30 per cent. of the total revenue generated. In addition, the Group plans to target leisure travellers through travel agencies and tour operators, where the cooperation can be either on an entirely ad hoc basis, fixed prices or fixed prices plus contingent of rooms.



Finally, the Group expects to target travellers from the meeting incentive conference events segment by targeting conference organizers, in cooperation with the City Conference Centre - Prague Convention Bureau, and by attending fairs such as IBTM Barcelona.

### Business Plan Outlook

This section provides information on key aspects of the mid-term business plan of the Group that the Group aims to achieve as of the date of this Offering Circular. The business plan includes data on indicators such as the planned development of the Group’s chain of serviced residences or revenues. Any of the projections below and other forward-looking statements are not guarantees of future performance and actual results could differ materially from current expectations. Numerous factors could cause or contribute to such differences. Please see “Risk factors— The Group may fail to successfully implement its business strategy” and “Important Notice - Forward-Looking Statements” for more information.

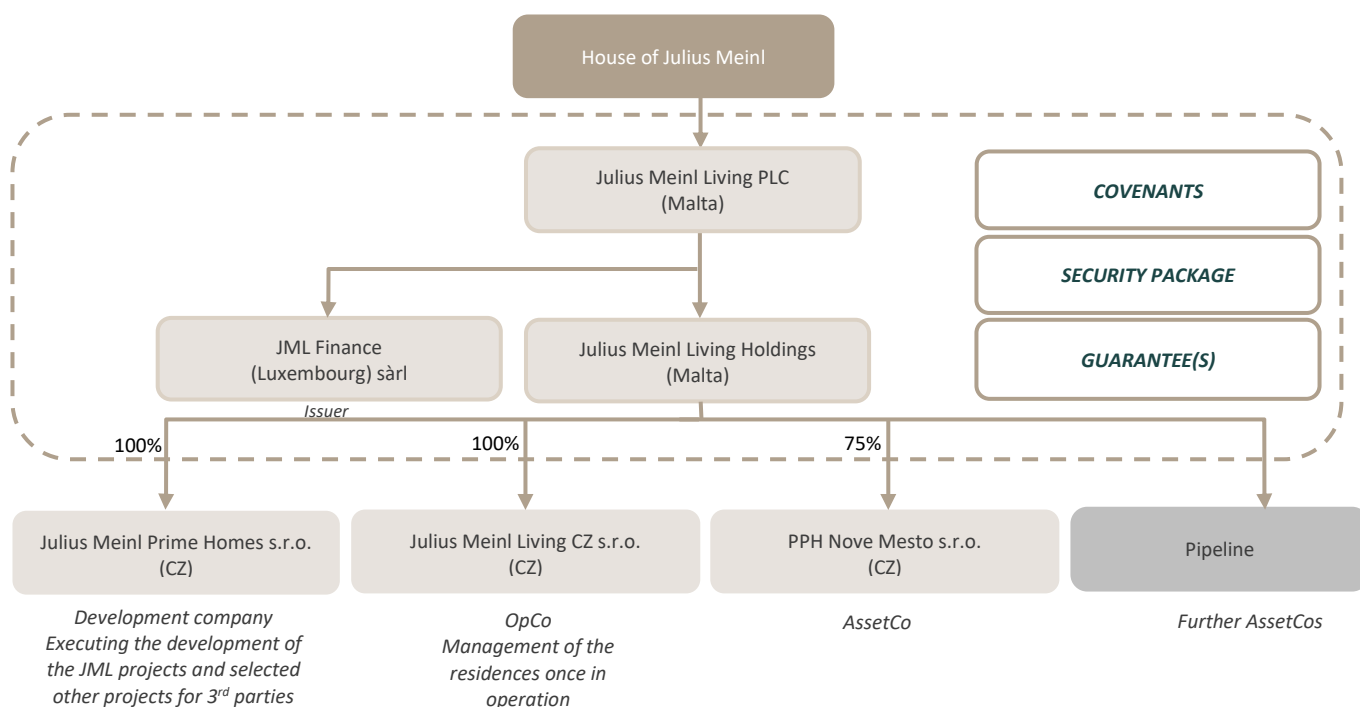
The Group aims to establish itself as a well-known owner and operator of a quality brand of serviced residences in Europe, with an initial focus mainly on the CEE and SEE regions, before continuing to expand across the broader European region.

Over the next three to six years, the Group aims to acquire and operate at least 15 serviced residences with a combined total of over 2,000 apartments. The total costs for the services residences are expected to be approximately EUR 675 million and the average cost for such a serviced residence is expected to be approximately EUR 45 million per unit, which, however, may significantly differ for individual projects. Once the development is completed, the Group aims for its serviced residences to generate annual revenue of approximately 5 to 7 million. The principal assumptions, upon which the Group’s management based this outlook, were an average occupancy rate of 80 per cent. and average daily rates in the range of EUR 70 to 150. However, the Group follows an opportunistic approach and may also undertake projects of different sizes or types than property ownership, such as management or lease agreements, provided that such projects appear commercially attractive.

### Group Structure

The following chart provides an overview of the Group structure as of the date of this Offering Circular:

The table below contains the description of key activities undertaken by each Group member:



<b>Company name</b>	<b>Key Activity</b>
Issuer	Special purpose financing company for the Group, which plans to provide the net proceeds from any issue of Notes to other Group members in the form of intragroup loans
Julius Meinl Living PLC (a Guarantor)	Parent holding company of the Group with no material activities
Julius Meinl Living Holdings Limited (a Guarantor)	Holding company of the Group with no material activities
PPH Nove Mesto	Special purpose property company which owns the Group's property in Prague (see “– <i>the Group's Business – Existing Projects</i> ”)
Julius Meinl Living CZ	Intended operating company for the Group's serviced residences, which is to lease the properties from the special purpose property companies of the Group and operate them as serviced residences.
Julius Meinl Prime Homes	Property development and management company providing services to PPH Nove Mesto and planning to provide these services also to the targeted aparthotel projects in the other markets. In addition, Julius Meinl Prime Homes provides such services to other companies under the House of Julius Meinl umbrella on the basis of development management agreements.

## **Market Overview**

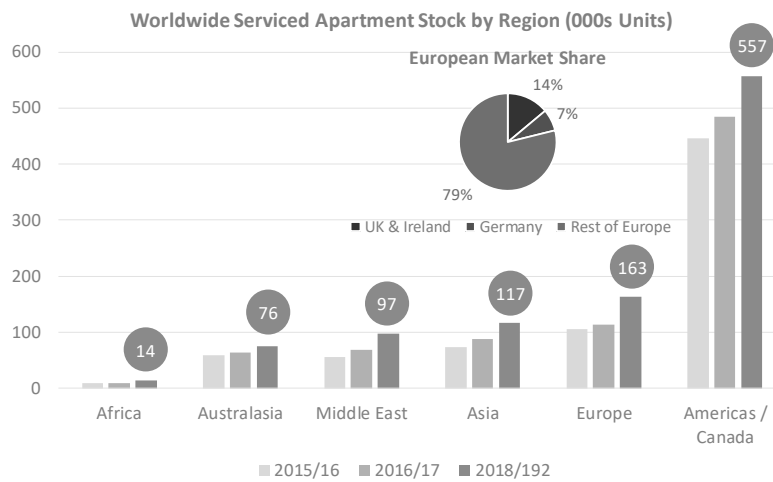
### ***Industry Overview***

Serviced residences represent a spectrum of short to mid-term accommodation, which bridges the gap between a traditional hotel and residential housing by offering one or more furnished rooms at a convenient location. They are typically bigger in size than a traditional hotel room and include a kitchen or kitchenette, but are priced similarly. Set against this, serviced residences typically offer a lower level of service compared to hotels, generally no food and beverage outlet and weekly instead of daily cleaning.

Target customers include both corporate and leisure travellers. The former tend to be executives on a fixed-term placement, while the latter includes mainly families and millennials who appreciate the value proposition and the possibility to experience cities like a local. Serviced residences aim to embody a ‘home away from home’ concept.

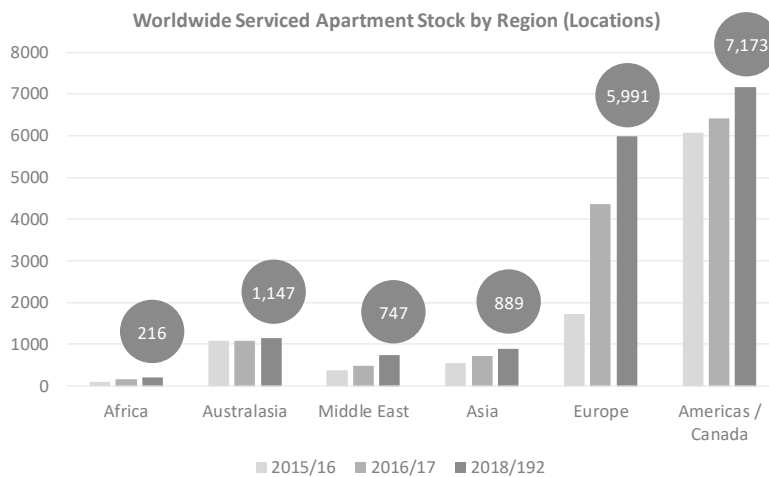
### ***Global serviced residences supply***

As of January 2018, there were 1,022,984 serviced residences operating in 1,364 locations, which represents an increase of 19 per cent. in units and 18.8 per cent. in locations as compared to the same period the previous year. Operators have been expanding their inventories in both new and existing locations. North America is the largest market, accounting for over 50 per cent. of the global supply of serviced residences, followed by Europe (source: Apartment Service Worldwide). The graph below sets out the number of serviced apartments by region for the period 2015 to 2018:



Source: GSAIR - The Global Serviced Apartments Industry Report 2018-2019

The graph below shows the number of locations of serviced apartments by region for the period 2016 to 2018:



Sources such as the ones above and below suggest that the European market presents marked differences between ‘growth’ countries in Western Europe such as the United Kingdom, France or Germany on the one hand, and ‘virgin’ countries in Central and Eastern Europe on the other hand.

If the European market is to evolve to a market structure similar to the United States, it needs to experience a significant growth. The Group’s management believes that only the early phase of such growth can be observed today.

***European serviced residences supply***

The European market seems undersupplied, with serviced apartments only accounting for three per cent. of the total room supply in the United Kingdom and Germany, the region’s largest markets, significantly lower than eight per cent. in the United States (source: JLL, Serviced Apartments: The fastest growing sector in hospitality).

Independent owners operating without a recognised brand dominate the market such as it is; the standardisation of extended stay properties is not advanced and customers are often uncertain about product quality (source: Cushman & Wakefield).

However, major national and international operators are now expanding in order to increase their brand penetration and recognition. The table below sets out the location of the expected number of serviced apartments to be built in Europe in the years 2019 and 2020:

	2019	2020
	<i>(per cent.)</i>	
Germany	28	29
United Kingdom	26	27
France	18	12
Netherlands	8	5
Ireland	4	13
Poland	4	2
Austria	1	1
Other	11	9

Source: The serviced apartment sector in Europe 2018, HVS

Detailed data tends to be available only in relation to the most developed European countries. Since the initially intended markets of the Group are not amongst these, this Offering Circular will present figures on markets that are not the main target of the Group.

#### *United Kingdom and Ireland.*

Within Europe, the United Kingdom and Ireland lead the sector with approximately 22,000 units, which represents an increase of 13% as compared to 2016 (source: JLL, Serviced Apartments: The fastest growing sector in hospitality).

The following table sets out the number of branded serviced residences in the United Kingdom and Ireland for the year 2018 as a percentage of the entire serviced residences market in these countries:

	2018
	<i>(per cent.)</i>
Stay City	17
SACO	10
Marlin Apartments	7
Staybridge Suites	6
Bridgestreet	6

Source: JLL, Serviced Apartments: The fastest growing sector in hospitality

Even in the European market, which is considered more mature, most of the supply is unbranded or comes from small operators.

By 2021, 13 thousand new units are expected to enter the market the United Kingdom and Ireland, of which 50 per cent. are to be branded (source: JLL, Serviced Apartments: The fastest growing sector in hospitality). In particular:

- StayCity increased the number of its serviced apartments by 70 per cent. as compared to 2016 and posted the highest number of planned rooms among all brands, 830;
- SACO was acquired by Canadian private equity firm Brookfield and announced an ambitious development plan in the United Kingdom as well as in continental Europe;
- Marlin has a similar expansion plans to SACO;
- Adagio, Staybridge and Hyatt have announced future openings in London, Dublin and other cities in the United Kingdom.

The following table sets out the investment volume in serviced apartments in the United Kingdom for the period 2010 to May 2018:

2010	2011	2012	2013	2014	2015	2016	2017	Jan to May
------	------	------	------	------	------	------	------	------------------

**2018**

	<i>(in EUR millions)</i>								
Investments	80	50	240	202	153	325	150	20	486

Source: JLL, Serviced Apartments: The fastest growing sector in hospitality

The investment volume in the United Kingdom's serviced apartment market increased fivefold from £ 89 million in 2010 to £ 486 million for the 12 months ended 31 May 2018. This was primarily driven by the increased availability of historical data on operational performance (source: JLL, Serviced Apartments: The fastest growing sector in hospitality).

In 2015, Starwood Capital acquired Think Serviced Apartment portfolio for an estimated price in excess of £ 200 million. The transaction included four properties in London and marked the first entry into the market of a private equity investor of this size. Further, in 2018, Brookfield acquired SACO portfolio, in the largest sector investment so far.

### Germany

Germany is the second largest serviced apartments market in Europe, accounting for 11,400 units of which only 25 per cent. are branded (source: JLL, Serviced Apartments: The fastest growing sector in hospitality). The market is mostly concentrated in Frankfurt, Munich and Berlin.

The following table sets out the split of serviced apartments in Germany for the year 2018:

	<b>2018</b>
	<i>(per cent.)</i>
Derag Livinghotel	27
Adina Apartment Hotel	16
Ghotel	15
Adagio	8
Citadines	8

Source: JLL, Serviced Apartments: The fastest growing sector in hospitality

By 2021, 5,300 new units are expected to enter Germany market, of which 48 per cent. are to be branded (source: JLL, Serviced Apartments: The fastest growing sector in hospitality). In particular:

- Adina has announced the highest pipeline of new serviced apartments: 600 units before 2020;
- Residence Inn (Marriott) plans to open 480 units by 2020;
- Adagio (AccorHotel) plans to open 430 units by 2020; and
- SACO (2nd UK brand) has announced a growth strategy which included an entry in the German market under the brand Locke.

The following table sets out the investment volume in serviced apartments in Germany for the period 2010 to May 2018:

	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>Jan to May 2018</b>
	<i>(in EUR millions)</i>								
Investments	6	75	6	15	130	175	6	257	40

Source: JLL, Serviced Apartments: The fastest growing sector in hospitality

Serviced apartments transactions in Germany saw a record number of transactions in 2017 of EUR 257 million, amounting to 7.6 per cent. of total hospitality transactions in the country, although 30 per cent. of the serviced apartments transactions when accounted for by a limited number of brands, such as Postquadrat project in Mannheim (ibis, ibis budget & Adagio Access) in July 2017 (source: JLL, Serviced Apartments: The fastest growing sector in hospitality).

## Other European markets

The available offer, especially in Central and Eastern Europe, remains highly fragmented and unbranded, presenting an almost virgin opportunity for a new players entry.

## Main brands globally

The top 15 suppliers worldwide account for 58.8 per cent. of the global supply of serviced apartments (source: GSAIR, The Global Services Apartments Industry Report 2018-2019). In Town Suites and Hyatt House were the only new entries since 2016. Most brands showed significant growth in 2017, including Marriott (15.1 per cent.) and Hilton (16.8 per cent.) (source: GSAIR, The Global Services Apartments Industry Report 2018-2019). Brand awareness is an issue, especially when travellers go into unknown territories where known brands provide reassurance.

The following table sets out by companies the number of units and their locations for the years 2016 to 2019:

	Units			Locations		
	2018/19	2016/17	Change (per cent.)	2018/19	2016/17	Change (per cent.)
Marriott	134,311	116,672	15	1,160	1,001	16
Hilton Worldwide	69,871	53,040	32	631	479	32
Extended Stay Hotels	69,400	69,400	0	629	629	0
The Ascott	70,337	37,712	87	512	250	105
Intercontinental	61,863	56,292	10	619	561	10
Choice Hotels	39,860	10,881	266	362	106	242
Oakwood Corp housing	27,000	25,350	7	2,000	1,895	6
Accor Hotels	24,046	22,997	5	221	204	8
Pierre & Vacances	22,252	22,252	0	257	257	0
Mantra Group	20,100	19,276	4	127	126	1
In Town Suites	15,700	n/a	n/a	209	n/a	n/a
Frasers Hospitality	12,607	12,531	1	74	71	4
Hyatt House	12,567	n/a	n/a	88	n/a	n/a
Studio6	11,496	10,034	15	120	99	21
Hawthorn Suites	10,613	10,584	0	108	98	10

Source: GSAIR, The Global Services Apartments Industry Report 2018-2019

As demand for serviced apartments increases, global providers tend to create multiple brands to meet the different wishes of business, leisure and “bleisure” guests alike.

The following table sets out detailed brand figures for the years 2016 and 2018:

	Units			Locations		
	2018	2016	change (per cent.)	2018	2016	change (per cent.)
<b>Marriot</b>						
Marriott Executive Apartments	3,851	3,363	15	27	25	8
Residence Inn	95,160	85,287	12	780	698	12
Town Place Suites	35,300	28,022	26	353	278	27
Total Marriott	134,311	116,672	15	1,160	1,001	16
Extended Stay						
Total Extended Stay	69,400	69,400	0	629	629	0
<b>The Ascott Ltd.</b>						
Ascotte The Residence	11,087	7,180	54	57	41	39
Citadines	20,170	11,338	78	124	77	61
Somerset	16,554	12,908	28	88	69	28
Other Serviced Residence	7,114	4,969	43	44	54	(19)
Tujia Somerset	2,687	1,005	167	15	6	150
Quest Apartment Hotels	11,974			180		
Lyf	751			4		

Total The Ascott	70,337	37,400	88	512	247	107
<b>Intercontinental</b>						
Candlewood Suites	35,251	32,328	9	374	341	10
Staybridge Suites	26,612	23,964	11	245	220	11
Total Intercontinental	61,863	56,292	10	619	561	10
<b>Choice Hotels</b>						
Mainstay	4,309	n/a	n/a	58	n/a	n/a
n.a.	7,314	n/a	n/a	69	n/a	n/a
Woodsping	28,237	n/a	n/a	235	n/a	n/a
Total Choice Hotels	39,860	n/a	n/a	362	n/a	n/a
<b>AccorHotels</b>						
Adagio	12,000	11,200	7	102	97	5
Mercure/Grand Mercure	6,049	6,049	0	58	58	0
The Sebel	1,893	1,644	15	28	16	75
Suite Novotel	4,104	4,104	0	33	33	0
Total Accor Hotels	24,046	22,997	5	221	204	8
<b>Pierre et Vacances</b>						
Pierre & Vacances	20,020	20,020	0	226	226	0
Maeva	2,232	2,232	0	31	31	0
Total Pierre Vacances	22,252	22,252	0	257	257	0
<b>Frasers Hospitality</b>						
Fraser Residence	1,792	1,563	15	14	13	8
Fraser Suites	4,968	5,034	(1)	30	29	3
Fraser Place	2,596	3,066	(15)	15	16	(6)
Modena Residence	1,385	1,116	24	6	5	20
Capri	1,866	1,752	7	9	8	13
Total Frasers Hospitality	12,607	12,531	1	74	71	4
<b>Total</b>	<b>434,676</b>	<b>337,544</b>	<b>29</b>	<b>3,834</b>	<b>2,970</b>	<b>29</b>

Source: GSAIR, The Global Services Apartments Industry Report 2018-2019

### *Selected operating characteristics*

From an operating viewpoint, serviced residences can provide more stable cash flows and significant cost savings and compared to full-service hotels.

The following graph sets out key performance indicators of the services residences sector in selected countries for the year 2017:

	<u>Australia</u>	<u>Germany</u>	<u>UAE</u>	<u>China</u>	<u>United States</u>	<u>United Kingdom</u>
Average Daily Rate (ADR) (in U.S. dollars)	160	120	142	100	100	177
Revenue per Average Room (RevPAR) (in U.S. dollars)	125	90	115	75	75	137
Occupancy (in per cent.)	77	76	86	72	74	77

Source: STR - Serviced Apartment Summit Europe

Operating costs for serviced residences account for usually 40 per cent. of revenues as compared to 60 per cent. for hotels. This is mainly due to (i) saving on food and beverage outlets (restaurants, bar, room service) which leads to a lower level of staff fixed costs and (ii) a reduction in housekeeping staff. On average, serviced apartments only have a ratio of one employee for five rooms while hotels employ one employee for one room.

The following table sets out significant differentiators of investments in serviced residences:

	<b>Residential</b>	<b>Serviced residences</b>	<b>Hotel</b>
Operating costs as percentage of total revenue	20	40	60
Length of stay in days	365	1 to 365	1.2
Staff	1 receptionist	1 staff per 5 rooms	1 staff per room

Source: JLL, Serviced Apartments: The fastest growing sector in hospitality

The following table sets out gross operating margins for 17 European operators for the years 2017, 2016 and 2015:

	<b>2017</b>	<b>2016</b>	<b>2015</b>
		<i>(per cent.)</i>	
Min	18.0	17.0	16.0
First quartile	47.0	44.0	42.0
Second quartile	64.0	58.0	60.0
Third quartile	72.0	72.0	76.0
Fourth quartile	77.0	79.0	83.0
<b>Weighted average</b>	<b>46.0</b>	<b>45.0</b>	<b>45.0</b>

Source: GSAIR, The Global Services Apartments Industry Report 2018-2019

Although a spread exists between best-in-class and lagging operators, the trends in the first and fourth quartile indicate that the bandwidth of margins is narrowing.

Gross Operating Profit (“**GOP**”) margin is connected to average length of stay. HVS research discovered that weighted average GOP margin for short stays (less than five nights) is 40 per cent., 57 per cent. for stays between five and 15 nights and 78 per cent. for stays longer than 15 nights.

Typically, extended stay properties include a limited range of categories; most serviced residences operators favour studios and one-bedroom apartments. However, mature markets tend to diversify also towards larger, two-bedrooms packages. The graphs below set out the split of serviced residences based on apartment type in selected European countries as of 2017:

<b>European countries</b>	<b>Studios</b>	<b>One bedroom</b>	<b>Two bedroom</b>	<b>Three bedroom</b>
		<i>(per cent.)</i>		
Switzerland	75	17	7	1
France	70	30	-	-
Germany	64	34	2	-
Netherlands	52	23	23	2
United Kingdom	43	42	14	1
Average	59	34	6	1

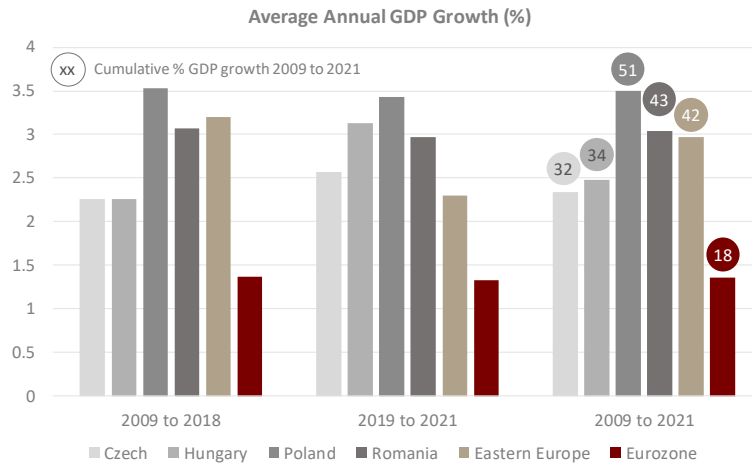
Source: GSAIR, The Global Services Apartments Industry Report 2018-2019

### ***Geographical Markets***

Following the financial crisis of 2008, Europe’s economies have returned to growth. In Eastern Europe as a whole, Bloomberg’s consensus forecast is that through to 2021, the economies of Eastern Europe will grow at an average rate of 3.0%. Within this, Czech, Hungary, Poland and Romania are expected to grow at an average of 2.8%. In general, the economies of the Eurozone, are expected to grow more slowly, at 1.4%.

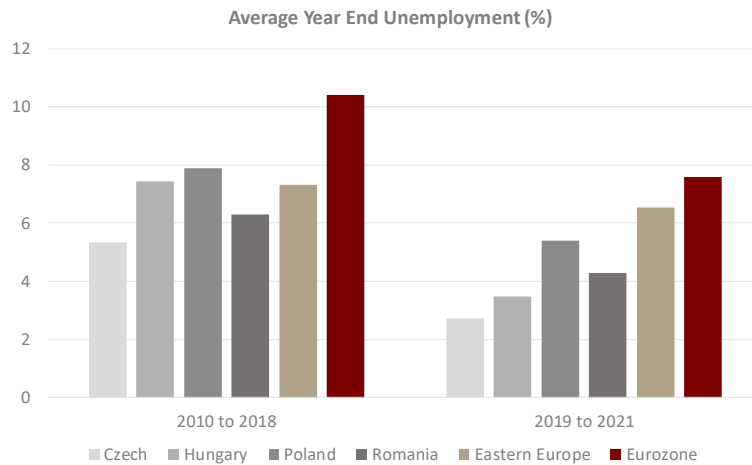
The following graph sets out selected historical and forecast average real annual GDP growth rates:





Source: Bloomberg. Eastern Europe for these purposes is is Albania, Armenia, Azerbaijan, Bosnia, Bulgaria, Croatia, Czech Republic, Georgia, Hungary, Kazakhstan, Macedonia, Poland, Romania, Russia, Serbia, Turkey and Ukraine

The strong recent economic performance of CEE countries has in part been a consequence of wages continuing to be lower than in Western Europe. This, in turn, has notably resulted in a meaningful reduction in unemployment levels. The following graph sets out selected historic and forecast unemployment rates:



Source: Bloomberg. Eastern Europe for these purposes is is Albania, Armenia, Azerbaijan, Bosnia, Bulgaria, Croatia, Czech Republic, Georgia, Hungary, Kazakhstan, Macedonia, Poland, Romania, Russia, Serbia, Turkey and Ukraine

The following graph sets out selected historical and forecast average real annual wage growth rates



Source: Economist Intelligence Unit. Eastern Europe for these purposes is Croatia, Czech Republic, Poland, Hungary, Bulgaria and Romania

Moreover, all of the Group's focus Central and Eastern European countries have levels of government and private debt that are low by comparative standards and that provide stability through the capacity to adapt to economic shocks.

## Management of the Issuer

### Overview

The Issuer has a one-tier management structure consisting of its managers (the “**Managers**”). The Managers represent the Issuer in all matters and are charged with its day-to-day business management. The Issuer has no other administrative, management or supervisory body.

### Managers

The Managers are the Issuer’s statutory body, which directs its operations and acts on its behalf. The Issuer’s general meeting (the “**General Meeting**”) elects the Managers for a definite or indefinite period of time. Re-election of the Managers is permitted. Pursuant to the Issuer’s Articles of Association (the “**Articles of Association**”), the Issuer has at one or more Managers.

The following table sets forth the Managers appointed as of the date of this Offering Circular:

Name	Year of Birth	Commencement of Current Term of Office
Nikola Vild Mitošinková	1975	13 March 2019
Trustmoore Luxembourg S.A.	-	13 March 2019

The business address of Nikola Vild Mitošinková is Kovanecská 2390/7, Prague 9, Czech Republic, and the business address of Trustmoore Luxembourg S.A. is 6 rue Dicks, L-1417 Luxembourg, Grand Duchy of Luxembourg.

#### *Nikola Vild Mitošinková*

Ms. Mitošinková has been a Manager since the date of the incorporation of the Company. In addition, she has been the chief financial officer of Julius Meinl Prime Homes since 20017. Between 2003 and 2009, she worked at Meinl European Land Limited. Before that, she worked at Arthur Andersen Czech Republic.

Ms. Mitošinková holds a degree in economics from the Technical University in Liberec. She is also a certificated tax advisor.

#### *Trustmoore Luxembourg S.A.*

Trustmoore Luxembourg S.A. has been a Manager since the date of the incorporation of the Company. It is a public limited liability company (*société anonyme*) incorporate under the laws of the Grand Duchy of Luxembourg, with its registered office at 6 rue Dicks, L-1417 Luxembourg, Grand Duchy of Luxembourg and registered with the Luxembourg trade and companies register (*Registre de commerce et des sociétés, Luxembourg*) under number B156963. It is responsible for the administration and corporate household of the Company as well as other companies outside the Group as part of its day to day business.

### Conflicts of Interest

There are no existing or potential conflicts of interest between any duties owed to the Issuer by the Managers and their private interests and/or other duties.

### Board Practices and Corporate Governance

The Issuer complies with the corporate governance regime binding on companies incorporated in the Grand Duchy of Luxembourg. The Issuer is not subject to any compulsory corporate governance code of conduct or respective statutory legal provisions. However, the Issuer strives to put a high emphasis on good corporate governance by having high standards of transparency.

## Management of Julius Meinl Living PLC

### Overview

Julius Meinl Living PLC has a single-tier management structure consisting of its board of directors (the “**Directors**”). The Directors are the company’s statutory body and represent Julius Meinl Living PLC in all matters and are charged with its day-to-day business management. Julius Meinl Living PLC has no other administrative, management or supervisory body. Julius Meinl Living PLC must have not less than three directors and not more than ten. At Julius Meinl Living PLC’s general meeting (the “**Guarantor General Meeting**”) any Director who was not appointed or re-appointed at one of the preceding two annual general meetings shall retire and shall be eligible for re-appointment.

### Directors

The following table lists the Directors appointed as of the date of this Offering Circular, with biographical information provided below.

<u>Name</u>	<u>Position</u>	<u>Nationality</u>	<u>Year of Birth</u>
Peter Weinzierl	Chairman and Chief Executive Officer	Austrian	1965
Nicholas Hill	Director	British	1972
Nadine Gilles	Director	German	1975
Edward Camilleri	Director	Maltese	1945
Edward Carbone	Director	Maltese	1942

#### *Peter Weinzierl*

Peter Weinzierl has been the chairman of the board and chief executive officer of Julius Meinl Living PLC since 2016. In addition, he has been a director of Fulcrum Ltd. since 2012 and was the chief executive officer and member of the management board of Meinl Bank AG between 1992 and 2015, respectively, and director of Meinl European Land between 1006 and 2005 and Meinl European Real Estate between 2005 and 2008.

Peter Weinzierl is a trained lawyer and economist, and holds degrees from the University of Vienna and Georgetown University, Washington, DC.

#### *Nicholas Hill*

Nicholas Hill has been a board member of Julius Meinl Living PLC since 2016. In addition, he has been a director of Meinl Capital Markets Ltd. since 2008 and director of KEX Confectionery SA since 2012. Before that, between 1994 and 2008, he was director at Lazard & Co.

Mr. Hill holds a degree in economics from the University of Warwick.

#### *Nadine Gilles*

Nadine Gilles has been a board member of Julius Meinl Living PLC since 2018. In addition, she has been the CEO of Julius Meinl Prime Homes since 2013. Before that, between 2003 and 2013, she held positions in corporate and investment banking at Meinl Bank AG and between 2003 and 2008 worked at Meinl European Land Limited.

Ms. Gilles holds a degree in economics from the University of Siegen.

#### *Edward Camilleri*

Edward Camilleri has been a board member of Julius Meinl Living PLC since 2016. He is a certified accountant and he spent most of his 35-year career as a partner at the so-called ‘Big Four’ accounting firms. He has also served as chairman of the Maltese branch of the Association of Chartered Certified Accountants and was Malta’s first delegate on the International Assembly of the Association. He has also served on the Disciplinary Committees of the Malta Accountancy Board and the Malta Institute of Accountants, as well as on the Education Committee. As of the date of this Offering Circular, Mr. Camilleri serves as a director on the board of several international companies.

## *Edward Carbone*

Edward Carbone is a Certified Public Accountant and a Fellow of the Institute of Accountants (Malta) and has over 45 years of experience in the accounting, auditing, banking and financial services industries. Following a career in senior managerial positions within Maltese companies, in 1996 until his retirement in 2003, Mr. Carbone was appointed as Chief Executive of the Malta Financial Services Authority. He was also appointed, by the Minister of Financial and Economic Affairs, to serve for two consecutive terms of three years each as a member of the Listing Committee of the Malta Financial Services Authority as well as the Official Receiver under the terms of the Companies Act. Mr. Carbone also sits on the board of directors of various international companies incorporated in Malta.

### ***Conflicts of Interest***

There are no existing or potential conflicts of interest between any duties owed to Julius Meinl Living PLC by the Directors and their private interests and/or other duties.

### ***Board Practices and Corporate Governance***

Julius Meinl Living PLC complies with the corporate governance regime binding on companies incorporated in Malta. Julius Meinl Living PLC is not subject to any compulsory corporate governance code of conduct or respective statutory legal provisions. However, Julius Meinl Living PLC strives to put a high emphasis on good corporate governance by having high standards of transparency.

### **Management of Julius Meinl Living Holdings Limited**

#### ***Overview***

Julius Meinl Living Holdings Limited has a single-tier management structure consisting of its sole director (the “**Sole Directors**”). The Sole Director is the company’s statutory body and represents Julius Meinl Living Holdings Limited in all matters and is charged with its day-to-day business management. Julius Meinl Living Holdings Limited has no other administrative, management or supervisory body.

#### ***Sole Director***

As of the date of this Offering Circular, the Sole Director of Julius Meinl Living Holdings Limited is Edward Camilleri. For Mr. Camilleri’s biographical information, please see “–*Management of Julius Meinl Living PLC*” above.

### ***Conflicts of Interest***

There are no existing or potential conflicts of interest between any duties owed to Julius Meinl Living Holdings Limited by the Sole Director and his private interests and/or other duties.

### ***Board Practices and Corporate Governance***

Julius Meinl Living Holdings Limited complies with the corporate governance regime binding on companies incorporated in Malta. Julius Meinl Living Holdings Limited is not subject to any compulsory corporate governance code of conduct or respective statutory legal provisions. However, Julius Meinl Living Holdings Limited strives to put a high emphasis on good corporate governance by having high standards of transparency.

### **Employees**

As of the date of this Offering Circular, the Group had 13 full-time equivalent employees, of which four were full-time consultants.

### **Major Shareholders**

As of the date of this Offering Circular, both the Issuer and Julius Meinl Living Holdings Limited are wholly-owned subsidiaries of Julius Meinl Living PLC. Accordingly, Julius Meinl Living PLC directly exercises control over both companies and the Group as of the date of this Offering Circular. The control of Julius

Meinl Living PLC over the Issuer and Julius Meinl Living Holdings Limited is based on the ownership of 100 per cent. shares and voting rights in the Issuer.

Julius Meinl Living PLC is 95.55 per cent.-owned by Julius Meinl Finance Limited and 4.45 per cent.-owned by JULIUS MEINL FUNDS a.s., entities which are beneficially owned by one or more members of the Meinl family.

To the best knowledge of the Issuer, Julius Meinl Living PLC and Julius Meinl Living Holdings Limited, as of the date of this Offering Circular, there are no arrangements the operation of which may at a subsequent date result in a change of control in the Issuer or Julius Meinl Living PLC, respectively.

### **Legal and Arbitration Proceedings**

There are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) during the 12 months preceding the date of this Offering Circular which may have, or have had in the recent past, significant effects on the Issuer's, the Guarantors', and/or the Group's financial position or profitability.

### **Significant Change in the Group's Prospects, Financial or Trading Position**

Since 31 December 2018, the date of the audited consolidated financial statements of Julius Meinl Living PLC, there has been no material adverse change in the prospects of Guarantors nor any significant change in the financial or trading position of the Guarantors.

Since 13 March 2019, the date of the opening balance sheet of the Issuer, there has been no material adverse change in the prospects of Issuer nor any significant change in the financial or trading position of the Issuer.

### **Share Capital and Articles of Association**

#### ***Issuer***

As of the date of this Offering Circular, the Issuer's registered capital is EUR 12,000, has been fully paid up and consists of 12,000 shares, each with a nominal value of EUR 1. The shares are governed by the laws of Luxembourg. The principal characteristics of the shares are the following: (i) each share entitles its holders to one vote at the general meeting of the shareholders; (ii) each share entitles its holders to a portion of the profits of the Issuer.

According to clause 2 (*Corporate Purpose*) of the Issuer's Articles of Association dated 13 March 2019, the Issuer's main object and purpose is to carry out all transactions pertaining directly or indirectly to the acquisition of participations in Luxembourg or foreign companies and the administration, management, control and development of these participations. The Articles of Association were published in the *Recueil électronique des sociétés et associations* on 20 March 2019.

#### ***Julius Meinl Living PLC***

As of the date of this Offering Circular, Julius Meinl Living PLC's issued share capital is EUR 1,046,601. This has been fully paid up and consists of 1,046,601 shares, each with a nominal value of EUR 1, comprising 1,000,000 ordinary B shares, which have a nominal value of EUR 1 and are fully paid up, and 46,600 ordinary A shares, which have a nominal value of EUR 1 and are 25 per cent. paid up. The total amount of money raised through the issue of shares by Julius Meinl Living PLC is EUR 10,011,651, with the difference accounted for by share premium of EUR 9,000,000.

The shares are governed by the laws of Malta. The principal characteristics of the shares are the following: (i) each share entitles its holder to an equal portion of the profits of Julius Meinl Living PLC; and (ii) each share entitles its holder to one vote at a general meeting of the shareholders save in relation a resolution on the appointment and removal of directors of Julius Meinl Living PLC, in which case each ordinary A share entitles its holder to one million votes (with each ordinary B share continuing to entitle its holder to one vote).

According to clause 3 of Julius Meinl Living PLC's Memorandum of Association which entered into force on the 19 May 2018, Julius Meinl Living PLC's objects are:

- to acquire, invest in, own, develop, operate and divest real estate assets located primarily in (but not limited to) Europe, but in all cases outside of Malta;
- to carry out and conduct any business ancillary to the acquisition, investment in, ownership, development, operation and divestment of real estate assets, in each case as the Directors may determine from time to time;
- to acquire, invest in, hold and manage, dispose of or otherwise deal in investments in shares, participations, interests and debentures in any company or companies, joint ventures or any other type of entities as the Board of Directors may from time to time determine;
- to own and manage immovable and moveable property and to conduct operations associated with the above-mentioned activities;
- to subscribe, purchase or otherwise acquire, take, hold, dispose of or otherwise deal in all kinds of securities including shares, stocks, debentures, debenture stock, bonds, notes, options, and interests in all kinds of companies, corporations, entities, partnerships or other body of persons as the Board of Directors may determine, and to manage and administer any of the afore-mentioned property or any other property permitted by law;
- to receive dividends, capital gains, interest, and any other income derived from investments including income or gains on their disposal, rents, royalties and similar income whether arising in or outside Malta, and profits or gains attributable to a permanent establishment (including a branch) whether situated in or outside Malta,
- to carry on any business within the objects of any subsidiary company;
- to acquire and dispose of, by any title valid at law, movable or immovable property, whether for commercial or other purposes and to hold the property so acquired, and the consideration for any acquisition or disposal can be by credit or in cash or in kind, including the allotment of shares or debentures of Julius Meinl Living PLC, credited as paid up in full or in part as needs be; and
- to invest, lease, hire or grant in any manner or employ, improve, manage or develop any of its assets as may from time to time be determined.

### ***Julius Meinl Living Holdings Limited***

As of the date of this Offering Circular, Julius Meinl Living Holding's registered capital is EUR 1,200. This has been fully paid up and consists of 1,200 shares, each with a nominal value of EUR 1.

The shares are governed by the laws of Malta. The principal characteristics of the shares are the following: (i) each share entitles its holder to an equal portion of the profits of Julius Meinl Living Holdings Limited; and (ii) each share entitles its holder to one vote at a general meeting of the shareholders.

According to clause 4 of Julius Meinl Living Holdings Limited's Articles of Association dated 18 August 2018, Julius Meinl Living Holdings Limited's objects are:

- to purchase, acquire, own, hold, manage, lease, administer, sell or otherwise dispose of property of any kind, whether immovable or movable, personal or real, and whether or not belonging to Julius Meinl Living Holdings Limited, and to subscribe for, take, purchase or otherwise acquire, hold, sell or dispose of shares or other interest in or securities of any other company;
- to the extent necessary for its operations, to obtain loans, overdrafts, credits and other financial and monetary facilities without limit and otherwise borrow or raise money in such manner as Julius Meinl Living Holdings Limited shall think fit, whether as sole borrower or jointly with other persons and/or severally, and to provide by way of security for the repayment of the principal and interest thereon and/or the fulfilment of any of Julius Meinl Living Holdings Limited 's obligations, a hypothec, pledge, privilege, lien, mortgage or other charge or encumbrance over the assets of Julius Meinl Living Holdings Limited;

- to guarantee the obligations and/or the repayment of indebtedness of any person, although not in furtherance of Julius Meinl Living Holdings Limited's corporate purpose and whether or not Julius Meinl Living Holdings Limited receives any consideration or derives any direct or indirect benefit therefrom, and to secure such guarantee by means of a hypothec, privilege, lien, mortgage, pledge or other charge or encumbrance over the assets of Julius Meinl Living Holdings Limited;
- to carry out such activities as may be ancillary to the above or as may be necessary or desirable to achieve the above objects.

## **Material Contracts**

The following contracts have been entered into otherwise than in the course of ordinary business by members of the Group.

### ***Licence Agreement Regarding Meinl Trademarks***

Julius Meinl Living PLC is a party to an agreement dated 2016 with Julius Meinl Funds regarding the use of the Meinl name and Julius Meinl Living logo. The agreement in particular sets out the fees payable by the Group for the use of the intellectual property rights and territory where they may be used, which includes the EU and selected CEE and CIS countries. The licence is granted for an indefinite period and Julius Meinl Funds may terminate it with immediate effect in case Julius Meinl Living PLC commits a material breach of its obligations thereunder or in case of a change of control, as defined in the agreement, regarding Julius Meinl Living PLC. Further, Julius Meinl Living PLC undertakes to take all steps to register the intellectual property rights in all relevant jurisdictions and to notify Julius Meinl Funds of any infringements of the rights, whereas Julius Meinl Funds may decide at its sole discretion whether to take any action.

### ***Agreements with Neighbours***

Casacuberta, s.r.o., the previous owner of the Prague Property, entered into multiple agreements with the owners of the neighbouring buildings of the Prague in connection with the contemplated development of the Prague Property to resolve certain complaints of these neighbours and to govern their mutual relationship during the refurbishment. The agreements were later assigned to PPH Nove Mesto in connection with its acquisition of the Prague Property and comprise cooperation agreements, construction agreements, and future easement agreements, and impose various obligations on the owner of the Prague Property, including carrying out the development in a manner that conforms to the approved project documentation and minimizes nuisances for the neighbouring building. Failure to fulfil these obligations may give rise to a claim on the part of the neighbours for payment of a contractual penalty or for compensation of damages. Furthermore, PPH Nove Mesto undertook to pay to the owners a regular monthly compensation for loss of profit due to the reduction of rent granted to the tenants of said owners. An amount of CZK 11,000,000 was deposited in an escrow account by means of which those monetary obligations of PPH Nove Mesto are to be discharged.

### ***Contract for Work regarding development of the Prague Property***

On 12 June 2019, PPH Nove Mesto, as client, and Metrostav a.s. and BAK stavební společnost, a.s., as contractors, entered into a contract for work regarding development of the Prague Property. The total price for all works to be implemented by the contractors under this contract for work was fixed at CZK 499,000,000 (to be further increased by the respective VAT); the price can be increased or decreased only based on a written amendment to the contract for work to be concluded in expressly stipulated cases. The obligations of the contractors are secured by a 10 per cent. retention from the payments to be made by the client and also by bank guarantees to be provided by the contractors. According to the contract for work, the construction works were to be initiated after 1 July 2019 and all works should be finalized by 10 June 2021. The contract for work stipulates standard warranty periods relevant for individual parts of the works to be implemented thereunder.

## **Insurance**

As of the date of this Offering Circular, the Group has no operations yet. Management of the Group plans to obtain construction all-risk insurance in respect of the Prague Property and potential other future projects during the time they are under development. However, the Prague Property has an insurance in place covering the replacement costs of the building.

## **Environmental Matters**

The Group is committed to all its operating companies having a responsibility to act in a way that respects the environment in which they operate. The Group's presence in the European Union markets mean that it is affected by and is familiar with highly developed environmental laws and controls. The Group regularly considers environmental matters and seeks to embed good practice into its business strategies and operations.

## **Third Party Information and Statements by Experts and Declarations of any Interest**

Where information has been sourced from a third party, this information has been accurately reproduced and, as far as the Issuer is aware and is able to ascertain from the information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading. The source of third party information is identified where used.

Certain information has been derived from the Valuation Report, dated May 2019 and prepared by Cushman & Wakefield, s.r.o., with its registered seat at Purkyňova 2121/3, Nové Město, 110 00 Prague 1, Czech Republic, a company registered in the commercial register maintained by the Municipal Court in Prague under number C 20834 (“**Cushman & Wakefield**”) commissioned by the Group to value the Prague Property. Such extracts of the Valuation Report are included in this Offering Circular, in the form and context in which they are included, with the consent of Cushman & Wakefield. The Group paid a fee to Cushman & Wakefield for the preparation of the Valuation Report.



## **USE OF PROCEEDS**

The net proceeds from the issue of Notes under the Programme will be used by the Issuer to implement its business plan and strategy (see “*Description of the Group–Business Plan Outlook*”) and other real estate investments and for working capital.

## TAXATION

The following summary is of a general nature and is included herein solely for information purposes and does not purport to be a comprehensive description of all tax considerations that may be relevant to a decision to purchase or sell the Notes. It is based on the laws, regulations and administrative and judicial interpretations presently in force in Luxembourg, though it is not intended to be, nor should it be construed to be, legal or tax advice. This summary does not take into account the specific circumstances of particular investors. Prospective investors should consult their own professional advisers as to the effects of state, local or foreign laws, including Luxembourg tax law, to which they may be subject.

*Please be aware that the residence concept used in the sub-headings below applies for Luxembourg income tax assessment purposes only. Any reference in the present section to a tax, duty, levy, impost or other charge or withholding of a similar nature refers only to Luxembourg tax law and/or concepts. Also, please note that a reference to Luxembourg income tax generally encompasses corporate income tax (impôt sur le revenu des collectivités), municipal business tax (impôt commercial communal), a solidarity surcharge (contribution au fonds pour l'emploi), as well as personal income tax (impôt sur le revenu). Investors may further be subject to net wealth tax (impôt sur la fortune) as well as other duties, levies or taxes. Corporate income tax, municipal business tax as well as the solidarity surcharge invariably apply to most corporate taxpayers resident of Luxembourg for tax purposes. Individual taxpayers are generally subject to personal income tax and the solidarity surcharge. Under certain circumstances, where an individual taxpayer acts in the course of the management of a professional or business undertaking, municipal business tax may apply as well.*

### **Taxation of the holders of Notes**

#### ***Withholding Tax***

In principle, Luxembourg does not levy a withholding tax on at-arm's-length interest, except for interest on certain profit sharing bonds or similar instruments and interest paid as a profit share under certain silent partnership type arrangements.

#### ***Individuals***

All payments of interest and principal by the issuer in the context of the holding, disposal, redemption or repurchase of the Notes can be made free of withholding or deduction for or on account of any taxes of whatsoever nature imposed, levied, withheld, or assessed by Luxembourg or any political subdivision or taxing authority thereof or therein in accordance with applicable law, subject however to the application of the Luxembourg law of December 23, 2005 as amended introducing a (withholding) tax on certain payments of interest made to certain Luxembourg resident individuals (the "Law").

By virtue of the Law, payments of interest or similar income made or deemed to be made by a paying agent (within the meaning of the Law) established in Luxembourg to or for the benefit of an individual resident of Luxembourg who is not a tax resident of another state and who is the beneficial owner of such payment are subject to a final withholding tax of 20%.

An individual beneficial owner of interest or similar income (within the meaning of the Law) who is a resident of Luxembourg and acts in the course of the management of his private wealth may opt for a final tax of 20% when he receives or is deemed to receive such interest or similar income from a paying agent established in another member state of the European Union or in a member state of the European Economic Area which is not a member state of the European Union. Responsibility for the declaration and the payment of the 20% final tax is assumed by the individual resident beneficial owner of interest.

#### ***Corporations***

There is no Luxembourg withholding tax for Luxembourg resident and non-resident corporations holders of the Notes on payments of interest (including accrued but unpaid interest).

### **Income Taxation**

#### ***Non-Resident holders of Notes***

Non-resident holders of Notes, not having a permanent establishment, a permanent representative, or a fixed place of business in Luxembourg to which the Notes or income therefrom are attributable, are not subject to Luxembourg income taxes on income accrued or received, redemption premiums or issue discounts, under the Notes nor on capital gains realized on the disposal or redemption of the Notes. Non-residents holders who have a permanent establishment, a permanent representative, or a fixed place of business in Luxembourg to which the Notes or income therefrom are attributable are subject to Luxembourg income tax on interest accrued or received, redemption premiums or issue discounts, under the Notes and on any gains realized upon the sale or disposal of the Notes.

## ***Resident holders of Notes***

### ***Individuals***

A resident individual acting in the course of the management of a professional or business undertaking must include any interest accrued or received, any redemption premium or issue discount, as well as any gain realized on the sale or disposal, in any form whatsoever, of the Notes, in its taxable income for Luxembourg income tax assessment purposes.

A resident holder of Notes, acting in the course of the management of his/her private wealth, is subject to Luxembourg income tax in respect of interest received, redemption premiums or issue discounts, under the Notes, except if tax has been levied on such payments in accordance with the Law.

A gain realized by an individual holder of Notes, acting in the course of the management of his/her private wealth, upon the sale or disposal, in any form whatsoever, of Notes is not subject to Luxembourg income tax, provided this sale or disposal took place more than 6 months after the Notes were acquired. However, any portion of such gain corresponding to accrued but unpaid interest income is subject to Luxembourg income tax, except if tax has been levied on such interest in accordance with the Law.

### ***Corporation***

A resident holder of Notes which is not exempt from income taxation must include any interest accrued or received, any redemption premium or issue discount, as well as any gain realized on the sale or disposal, in any form whatsoever, of the Notes, in its taxable income for Luxembourg income tax assessment purposes.

### ***Net Wealth Taxation***

Luxembourg resident holders of Notes are subject to Luxembourg net wealth tax on such Notes, except if the holder is (i) an individual, (ii) an undertaking for collective investment subject to the amended law of 17 December 2010, (iii) a securitization company governed by the amended law of 22 March 2004 on securitization, (iv) a company governed by the amended law of 15 June 2004 on venture capital vehicles, (v) a specialized investment fund governed by the amended law of 13 February 2007, (vi) a family wealth management company governed by the amended law of 11 May 2007 (vii) a professional pension institution governed by the amended law of 13 July 2005 or (viii) a reserved alternative investment fund governed by the law of 23 July 2016. However, a minimum net worth tax applies (i) to a securitization company governed by the amended law of 22 March 2004 on securitization, (ii) to a professional pension institution governed by the amended law of 13 July 2005, (iii) to a company governed by the amended law of 15 June 2004 on venture capital vehicles and (iv) to reserved alternative investment funds opting to be treated as a venture capital vehicles for Luxembourg tax purposes and governed by the law of 23 July 2016.

### **Value added tax**

There is no Luxembourg value added tax payable in respect of payments in consideration for the issue of the Notes or in respect of the payment of interest or principal under the notes or a transfer of the Notes.

### **Other Taxes**

Neither the issuance nor the transfer of Notes will give rise to any Luxembourg stamp duty, issuance tax, registration tax, transfer tax or similar taxes or duties, provided that the relevant issue or transfer agreement is not registered in Luxembourg, which is not mandatory.

Where a holder of Notes is a resident of Luxembourg for tax purposes at the time of his/her death, the Notes are included in his/her taxable estate for inheritance tax assessment purposes.

Gift tax may be due on a gift or donation of Notes if embodied in a Luxembourg deed or registered in Luxembourg.

## SUBSCRIPTION AND SALE

Notes may be sold from time to time by the Issuer to Invest Securities and any other dealer appointed from time to time by the Issuer either generally in respect of the Programme or in respect of a particular Tranche of Notes (the “**Dealers**”). The arrangements under which Notes may from time to time be agreed to be sold by the Issuer to, and purchased by, Dealers are set out in a dealer agreement to be dated on or around 25 July 2019 (as amended and/or supplemented from time to time, the “**Dealer Agreement**”) between the Issuer and the Dealers.

Any agreement for the issue and subscription of Notes will, *inter alia*, make provision for the form and terms and conditions of the relevant Notes, the price at which such Notes will be purchased by the Dealers and the commissions or other agreed deductibles (if any) payable or allowable by the Issuer in respect of such purchase. The Dealer Agreement makes provision for the resignation or termination of appointment of existing Dealers and for the appointment of additional or other Dealers either generally in respect of the Programme or in relation to a particular Tranche of Notes. Notes of the same Series may be subscribed to at different times and at different prices. Notes may be resold at prices to be agreed with the relevant Dealers. There can be no assurance that the Notes will be resold or that there will be a secondary market for them.

### 1. General

Other than with respect to the approval of this Offering Circular as an offering circular and the admission to trading of any Notes on Euro MTF or such stock exchange as may be specified in the relevant Pricing Supplement no action has been or will be taken by the Issuer or any Dealer in any jurisdiction that would, or is intended to, permit a public offering of any Notes, or possession or distribution of the Offering Circular or any other offering material, in any country or jurisdiction where action for that purpose is required. Persons into whose hands the Offering Circular comes are required by the Issuer and the Dealers to comply with all applicable laws and regulations in each country or jurisdiction in which they purchase, offer, sell or deliver Notes or have in their possession, distribute or publish the Offering Circular or any other offering material relating to any Notes, in all cases at their own expense.

Each Dealer will obtain any consent, approval or permission which is, to the best of its knowledge and belief, required by it for the purchase, offer, sale or delivery by it of Notes under the laws and regulations in force in any jurisdiction to which it is subject or in or from which it makes any such purchase, offer, sale or delivery. Each Dealer will, to the best of its knowledge and belief, comply with all such laws and regulations.

None of the Issuer, the Principal Paying Agent, or any of the Dealers has represented that Notes may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or assumes any responsibility for facilitating such sale.

Neither this Offering Circular nor any Pricing Supplement constitute, nor may be used for or in connection with, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such an offer or solicitation. The distribution of this Offering Circular and the offering and sale of the Notes may be restricted by law in certain jurisdictions. Persons into whose possession this Offering Circular comes are required by the Dealers and the Issuer to inform themselves about and to observe any such restrictions.

Selling restrictions may be supplemented or modified with the agreement of the Issuer. Any such supplement or modification will be set out in the relevant Pricing Supplement (in the case of a supplement or modification relevant only to a particular Tranche of Notes) or (in any other case) in a supplement to this document.

### 2. United States of America (the “United States”)

- (a) With regard to each Tranche, each Dealer acknowledges that neither the Notes nor the Guarantees have been or will be registered under the United States Securities Act of 1933, as amended (the “**Securities Act**”) and may not be offered, sold or delivered within the United

States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S) except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in accordance with any applicable securities law of any state in the United States.

Each Dealer has represented, warranted and undertaken and each further Dealer to be appointed under the Programme will be required to represent, warrant and undertake that it has not offered or sold, and will not offer, sell or deliver any Notes constituting part of its allotment within the United States or to, or for the account or benefit of, U.S. persons, (x) as part of its distribution at any time or (y) otherwise until 40 days after the completion of the distribution of all Notes of the Tranche of which such Notes are a part (the “**distribution compliance period**”), as determined and certified as provided below. Accordingly, each Dealer has further represented, warranted and undertaken and each further Dealer to be appointed under the Programme will be required to represent, warrant and undertake that neither it, nor its affiliates (as defined in Rule 501 under the Securities Act) nor any persons acting on its or their behalf have engaged or will engage in any directed selling efforts (as defined in Regulation S) with respect to the Notes, neither it nor they have offered or sold Notes to, or for the account or benefit of, any U.S. person, and it and they have complied with, and will comply with, the offering restrictions requirement of Regulation S under the Securities Act.

Each Dealer has agreed and each further Dealer to be appointed under the Programme will be required to agree that, at or prior to confirmation of any sale of Notes, it will have sent to each distributor, dealer or person receiving a selling concession, fee or other remuneration that purchases Notes from it during the distribution compliance period a confirmation or notice to substantially the following effect:

“The Securities covered hereby have not been registered under the United States Securities Act of 1933, as amended (the “**Securities Act**”), and may not be offered, sold or delivered within the United States or to, or for the account or benefit of, U. S. persons (i) as part of their distribution at any time or (ii) otherwise until 40 days after the completion of the distribution of the Securities as determined and certified by the relevant Dealer, in the case of a non-syndicated issue, or the Lead Manager, in the case of a syndicated issue, and except in either case in accordance with Regulation S under the Securities Act. Terms used above have the meanings given to them by Regulation S under the Securities Act.”

- (b) Each Dealer who has purchased Notes of a Tranche hereunder (or in the case of a sale of a Tranche of Notes issued to or through more than one Dealer, each of such Dealers as to the Notes of such Tranche purchased by or through it or, in the case of a syndicated issue, the relevant Lead Manager) shall determine and notify to the Principal Paying Agent and the Issuer the completion of the distribution of the Notes of such Tranche. On the basis of such notification or notifications, the Principal Paying Agent agrees to notify such Dealer/Lead Manager of the end of the distribution compliance period with respect to such Tranche. Terms used in this paragraph have the meanings given to them by Regulation S.
- (c) With regard to each Tranche, each Dealer has represented, warranted and undertaken and each further Dealer to be appointed under the Programme will be required to represent, warrant and undertake that it has not entered and will not enter into any contractual arrangement with respect to the distribution or delivery of Notes, except with its affiliates or with the prior written consent of the Issuer.

#### 4. Prohibition of Sales to EEA Retail Investors

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are subject of the offering contemplated

by the Offering Circular as completed by the Pricing Supplement in relation thereto to any retail investor in the European Economic Area. For the purposes of this provision:

- (a) the expression “retail investor” means a person who is one (or more) of the following:
  - (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or
  - (ii) a customer within the meaning of Directive 2002/92/EC as amended or superseded (the “**IMD**”), 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; and
- (b) the expression “offer” includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes.

## **5. United Kingdom**

Each Dealer has represented and agreed, and each further Dealer to be appointed under the Programme will be required to represent and agree, that:

- (a) in relation to any Notes which have a maturity of less than one year: (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business; and (ii) it has not offered or sold and will not offer or sell any Notes other than to persons: (A) whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses; or (B) who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses, where the issue of the Notes would otherwise constitute a contravention of section 19 of the FSMA by the Issuer;
- (b) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which section 21(1) of the FSMA does not apply to the Issuer; and
- (c) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

## GENERAL INFORMATION

### Authorisation

The establishment of the Programme was authorised by the Managers of the Issuer on 9 July 2019 and the Directors of Julius Meinl Living PLC on 9 July 2019.

The Guarantee was authorised by the Directors of Julius Meinl Living PLC on 9 July 2019 and by the Sole Director of Julius Meinl Living Holdings Limited on 9 July 2019.

### Listing and Admission to Trading

Application has been made to the Luxembourg Stock Exchange for Notes issued under the Programme to be admitted to trading on the Luxembourg Stock Exchange's Euro MTF market and to be listed on the Official List of the Luxembourg Stock Exchange for a period of 12 months from the date of this Offering Circular. The Luxembourg Stock Exchange's Euro MTF market is not a regulated market for the purposes of the Markets in Financial Instruments Directive (Directive 2014/65/EU).

Notes may also be issued pursuant to the Programme that will be listed and admitted to trading on such other or further stock exchange or stock exchanges (other than in respect of an admission to trading on any market in the EEA which has been designated as a regulated market for the purposes of the Prospectus Regulation) as the Issuer and the relevant Dealer(s) may agree. The relevant Pricing Supplement in respect of any such Series will specify whether or not the relevant Notes will be admitted to trading on Euro MTF or whether the relevant Notes will be admitted to trading on any other such market and/or exchange and, if so, on which markets and/or stock exchanges. Notes may also be issued pursuant to the Programme that will not be admitted to trading on any market, stock exchange or quotation system.

### Clearing Systems

The Notes may be cleared through either Clearstream Banking SA, Luxembourg (42, Avenue J. F. Kennedy, L-1855 Luxembourg) ("**Clearstream**") and Euroclear Bank SA/NV (1 Boulevard du Roi Albert II, 1210 Brussels, Belgium) ("**Euroclear**"). The appropriate Common Code and the International Securities Identification Number for each Tranche allocated by Clearstream and/or Euroclear will be contained in the relevant Pricing Supplement relating thereto. If the Notes are to be cleared through an additional or alternative clearing system, the appropriate information will be specified in the applicable Pricing Supplement.

### Available Information

So long as the Notes will be listed on the Euro MTF market, copies of the following documents will be available during normal business hours free of charge from the registered office of the Issuer:

- i. the constitutional documents (with an English translation where applicable) of the Issuer;
- ii. the constitutional documents (with an English translation where applicable) of each Guarantor;
- iii. the Issuer's audited opening balance sheet as of 13 March 2019, together with the audit report prepared in connection therewith;
- iv. the audited consolidated financial statements of Julius Meinl Living PLC as of and for the year ended 31 December 2018;
- v. the audited consolidated financial statements of Julius Meinl Living PLC as of 31 December 2017 and for the period 9 August 2016 to 31 December 2017;
- vi. a copy of this Offering Circular;
- vii. any supplement to this Offering Circular;
- viii. any Pricing Supplement;
- ix. the Guarantees;

- x. the Trust Deed;
- xi. the Paying Agency Agreement;
- xii. the Deed of Assignment;
- xiii. the Interest Reserve Account Pledge Agreement;
- xiv. the Operating Account Pledge Agreement; and
- xv. the Account Bank Agreement.

Copies of the individual financial statements of the Issuer's subsidiaries as of and for the years ended 31 December 2017 and 2016 may, as long as this Offering Circular is valid, inspected at the registered office of the Issuer.

In the case of Notes listed on the Luxembourg Stock Exchange or publicly offered in the Grand Duchy of Luxembourg, the Pricing Supplement will be displayed on the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)).

#### **Independent Registered Public Accounting Firm**

The opening balance sheet as of 13 March 2019, which is incorporated by reference in this Offering Circular has been audited by Grant Thornton, an independent registered public accounting firm with respect to the Issuer.

Grant Thornton is registered as an audit firm with the Accountancy Board of Malta pursuant to the Accountancy Profession Act, Chapter 281. Grant Thornton has its principal business office at Fort Business Centre, Mriehel Bypass, Birkirkara BKR 3000, Malta.

The consolidated statements of financial condition as of 31 December 2018 and 31 December 2017 and the related consolidated statements of earnings, comprehensive income, changes in equity and cash flows for the years ended 31 December 2018 and the period from 9 August 2016 to 31 December 2017, prepared in accordance with IFRS, which are incorporated by reference in this Offering Circular have been audited by Grant Thornton, an independent registered public accounting firm with respect to Julius Meinl Living PLC.

Grant Thornton is registered as an audit firm with the Accountancy Board of Malta pursuant to the Accountancy Profession Act, Chapter 281. Grant Thornton has its principal business office at Fort Business Centre, Mriehel Bypass, Birkirkara BKR 3000, Malta.

#### **Interest of Natural and Legal Persons involved in the Issue/Offer**

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