



Up to
EUR 50,000,000
Senior Unsecured 6.50 % - 7.50 % Bonds due 2028

ISIN: NO0012938325

Hörmann Industries GmbH (the "Issuer" or the "Company" and, together with its consolidated subsidiaries, "Hörmann Industries Group" or the "Group") will issue on or about 11 July 2023 ("Issue Date") senior unsecured 6.50 % - 7.50 % bonds due 2028 with a total nominal amount of up to EUR 50,000,000 ("Bonds"). The Bonds will bear interest from and including 11 July 2023 to, but excluding, 11 July 2028 at the interest rate, payable annually in arrear on each 11 July, commencing on 11 July 2024. The Bonds will mature on 11 July 2028, subject to an early redemption as described under "BOND TERMS".

This prospectus ("Prospectus") constitutes a prospectus within the meaning of Article 6(3) of Regulation (EU) No 2017/1129 of the European Parliament and of the Council of 14 June 2017 (as amended, the "Prospectus Regulation"). This Prospectus together with all documents incorporated by reference will be published in electronic form on the website of the Luxembourg Stock Exchange (www.luxse.com) and on the website of the Issuer (www.hoermann-gruppe.com).

This Prospectus has been approved by the Luxembourg Financial Supervisory Authority (*Commission de Surveillance du Secteur Financier* – "CSSF") in its capacity as competent authority under the Prospectus Regulation and notified to the German Federal Financial Supervisory Authority (*Bundesanstalt für Finanzdienstleistungsaufsicht, BaFin*). The CSSF only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such approval should neither be considered as an endorsement of the Issuer that is subject of this Prospectus nor of the quality of the Bonds that are the subject of this Prospectus and investors should make their own assessment as to the suitability of investing in the Bonds. Pursuant to Article 6(4) of the Luxembourg law on prospectuses for securities (*Loi relative aux prospectus pour valeurs mobilières*), the CSSF gives no undertaking as to the economic and financial soundness of the transaction or the quality or solvency of the Issuer.

Validity of this Prospectus will expire on 14 June 2024, and no obligation to supplement this Prospectus in the event of significant new factors, material mistakes or material inaccuracies will apply when this Prospectus is no longer valid.

Application is intended to be made for inclusion of the Bonds in (i) the Open Market (*Freiverkehr*) of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) ("Open Market"), and (ii) within six months after the Issue Date in the Nordic ABM, a self-regulated marketplace organised and operated by the Oslo Stock Exchange (*Oslo Børs*) ("Nordic ABM"). Neither the Open Market nor the Nordic ABM are regulated markets for the purpose of Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments (as amended, "MiFID II"). The CSSF has neither reviewed nor approved any information in relation to the admission to trading on the Open Market and the Nordic ABM and in relation to the Private Placement.

This Prospectus has been prepared in relation to the public offering of the Bonds. The Bonds are issued with a denomination of EUR 1,000 each. The offer price is 100%. The final total nominal amount and the final interest rate of the Bonds are expected to be determined during the offering period, but no later than the end of the offering period on 30 June 2023, and will be communicated to the Bondholders in an interest and volume fixing notice filed with the CSSF.

The Bonds have been assigned the following securities codes: International Securities Identification Number (ISIN) NO0012938325, German Security Identification Number (WKN) A351U9.

The Bonds will be issued under Norwegian law in uncertificated and dematerialised book-entry form registered in accordance with section 3-1 of the Norwegian Securities Depository Act of 15 March 2019 no. 6 (No. *verdipapirsentralloven*) ("**VPS Act**") in a securities depository approved or acknowledged under the EU central securities depositories (CSD) regulation (Regulation (EU) No 909/2014 of 23 July 2014 on improving securities settlement in the European Union and on central securities depositories and amending Directives 98/26/EC and 2014/65/EU and Regulation (EU) No 236/2012), which will be Verdipapirsentralen ASA, Tollbugata 2, 0152 Oslo, Norway ("**VPS**"). On or before the issue date of the Bonds, entries may be made with the VPS to evidence the debt represented by the Bonds to accountholders with the VPS.

Manager and Bookrunner

Pareto Securities AS, Frankfurt Branch

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SUMMARY OF THIS PROSPECTUS

A. Introduction and Warnings

Name and ISIN of the securities

This prospectus ("**Prospectus**") relates to a public offer of up to EUR 50,000,000 new senior unsecured 6.50 % - 7.50 % bonds with the ISIN NO0012938325 ("**Bonds**") by Hörmann Industries GmbH (the "**Issuer**" or the "**Company**" and, together with its consolidated subsidiaries, "**Hörmann Industries Group**" or the "**Group**").

Identity and contact details of the Issuer, including its LEI

The Issuer is a limited liability company under German law (*Gesellschaft mit beschränkter Haftung*) established under German law. The Issuer has its registered seat in Kirchseeon, Germany, and is registered with the commercial register (*Handelsregister*) of the local court (*Amtsgericht*) of Munich, Germany ("**Commercial Register**"), under the registration number HRB 141701, with its business address at Hauptstrasse 45-47, 85614 Kirchseeon, Germany (telephone: +49 8091 56 30 0; website: www.hoermann-gruppe.com). The Legal Entity Identifier ("**LEI**") of the Issuer is 5299009E2YKF66FJZ622.

Identity and contact details of the competent authority approving this Prospectus

On 14 June 2023, the *Commission de Surveillance du Secteur Financier* ("**CSSF**"), 283 Route d'Arlon, L-1150 Luxembourg Tel. (+352) 26 25 1-1, e-mail: direction@cssf.lu, approved this Prospectus as the competent authority under Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on this Prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC, as amended.

Warnings

This summary should be read as an introduction to this Prospectus. Any decision to invest in the Bonds should be based on a consideration of this Prospectus as a whole by the investor. Investors in the Bonds may lose all or part of their invested capital. Where a claim relating to the information contained in this Prospectus is brought before a court, the plaintiff investor might, under national law, have to bear the costs of translating this Prospectus before the legal proceedings are initiated. Civil liability attaches only to those persons who have tabled this summary including any translation thereof, but only where this summary is misleading, inaccurate or inconsistent, when read together with the other parts of this Prospectus, or where it does not provide, when read together with the other parts of this Prospectus, key information in order to aid investors when considering whether to invest in the Bonds.

B. Key information on the issuer

Who is the issuer of the securities?

Registration and applicable laws – The Issuer is a limited liability company under German law (*Gesellschaft mit beschränkter Haftung*) incorporated and existing under German law. The Issuer has its registered seat in Kirchseeon, Germany. The legal name of the Issuer is "Hörmann Industries GmbH" and the commercial name of the Issuer is "Hörmann". The Issuer's LEI is 5299009E2YKF66FJZ622.

Principal activities – The Issuer is an indirect subsidiary of the Kirchseeon-based Hörmann Holding GmbH & Co. KG whose shares are held by the Hörmann family. Hörmann Industries Group's activities are divided into the following four divisions: Automotive, Communication, Intralogistics and Engineering.

Through its Automotive division, Hörmann Industries Group is one of the leading suppliers of metal components, modules and systems for the European commercial vehicle, construction and agricultural machinery industries. The Automotive division covers the entire value chain with its engineering, technology development, production and logistics services.

In the Communication division, Hörmann Industries Group (inter alia through Funkwerk AG and its subsidiaries, the "**Funkwerk Group**") is a technologically leading supplier of communication, information and warning systems. The focus is on hardware and software components for railway companies, public transportation, inland shipping and airports in addition to smart security systems to protect buildings, public

spaces, industrial properties, transport and people. Funkwerk Group offers tailored solutions for voice and data communication using analogue and digital mobile networks (LTE, GSM-R) in rail transport.

Due to the dynamic market development and increase in market demand for sophisticated system solutions for intralogistics, for automation solutions for production, warehouse and distribution logistics as well as for services for these industries, Hörmann Industries Group bundled its activities previously included in the Services division and certain entities of the Engineering division in the newly created Intralogistics division in the first half of 2022. The Intralogistics division operates as a general contractor in the planning and implementation of turnkey material flow systems. With material flow concepts and complex storage strategies, intralogistics solutions are implemented for individual requirements, thereby enabling international customers from a wide range of industries to achieve enhancements in productivity and efficiency. The division's portfolio has been expanded to include the development, planning and manufacturing of conveyor systems. Through the integration of the Services division, the range of solutions will be expanded with aftersales service in Intralogistics division and vertical integration can be increased with in-house assembly services and commissioning.

In the Engineering division, Hörmann Industries Group operates in building and industrial planning and in vehicle development. This service range is supplemented by the development and production of detectors for measuring ionising radiation.

Major shareholders and Control – The shareholders of the Issuer are currently Hörmann Beteiligungsholding GmbH (85 %), Hans Hörmann Holding GmbH & Co. KG (14 %) and Hörmann Holding GmbH & Co. KG (1 %). Members of the Hörmann family ultimately hold 100 % of the participations in the Issuer's parent company Hörmann Holding GmbH & Co. KG which gives them the option to exercise control over Hörmann Group and ultimately, Hörmann Industries Group.

Key managing directors – Dr. Ing. Michael Radke (CEO), Johann Schmid-Davis (CFO) and Dr. Ing. Christian E. Baur (CTO) represent the Company as managing directors.

Statutory auditors – The independent auditors of the Issuer are BDO AG Wirtschaftsprüfungsgesellschaft, Zielstattstraße 40, 81379 München, Germany.

What is the key financial information regarding the issuer?

The following selected key financial information has been taken or derived from the Issuer's (i) unaudited consolidated interim report for the period from 1 January 2023 to 31 March 2023 (the "**Unaudited Interim Financial Statements**") and (ii) the audited consolidated financial statements of the Issuer as of and for the financial years ended 31 December 2021 and 31 December 2022 prepared in accordance with the generally accepted accounting principles of German commercial law for corporations and the supplementary provisions of the law concerning the German Limited Liability Companies Act (*Gesetz betreffend die Gesellschaften mit beschränkter Haftung*) (the "**Audited Consolidated Financial Statements**") and (iii) the Issuer's accounting records or internal management reporting systems.

Where financial information in the tables in this Prospectus is labelled "audited", this means that it has been taken from the Audited Consolidated Financial Statements. The label "unaudited" in the tables in this Prospectus indicates financial information that has been taken from (i) the Unaudited Interim Financial Statements, (ii) the Issuer's internal accounting records or internal reporting systems or (iii) is based on calculations of figures from the aforementioned sources or from the Audited Consolidated Financial Statements.

Certain financial information, including percentages, has been rounded according to established commercial standards.

Key financial information from the consolidated income statement

	1 January to 31 March 2023	1 January to 31 March 2022	1 January to 31 December 2022	1 January to 31 December 2021
Consolidated income statement	<i>in EUR million (unaudited)</i>		<i>in EUR million (audited)</i>	
Sales.....	172.1	127.0	685.7	589.8
Increase in finished goods and work in progress.....	23.1	23.6	22.1	36.7
Other own work capitalised.....	0.1	0.0	1.1	0.3
Other operating income.....	2.4	2.3	16.1	11.6
Cost of materials.....	-118.1	-88.1	-419.9	-343.7
Total Output.....	195.3	150.6	709.0	626.8
Gross profit / loss.....	79.7	64.8	305.2	294.7
Personnel expenses.....	-48.8	-44.0	-179.7	-167.1
Depreciation and amortisation on intangible and tangible assets.....	-2.8	-2.7	-11.6	-15.3
Other operating expenses.....	-25.2	-19.3	-89.1	-81.0
Other taxes.....	-0.4	-0.4	-1.2	-1.2
EBITDA ⁽²⁾	5.3	1.2	35.3	45.3
EBIT ⁽¹⁾	2.5	-1.5	23.7	30.0
Financial Result.....	-1.0	-0.9	-3.3	-3.7
Income taxes.....	-1.4	-1.5	-8.5	-12.2
Deferred taxes.....	0.0	0.0	0.4	0.3
Consolidated net profit.....	0.1	-3.9	12.2	14.4

Alternative Performance Measures according to the Guidelines of the European Securities and Markets Authority (ESMA):

- (1) Earnings (gross profit/loss (sales, increase in finished goods and work in progress, other internally produced and capitalised assets, other operating income, cost of materials) less personnel costs, amortisations and depreciation on intangible and tangible assets and other operative expenses) before interests and taxes. The KPI shows the result of the Company independent from regional taxation and different methods of financing.
- (2) Earnings before interests, taxes, depreciations and amortisations on intangible and tangible assets.

Key financial information from the consolidated balance sheet

	31 March 2023	31 March 2022	31 December 2022	31 December 2021
Consolidated statement of financial position	<i>in EUR million (unaudited)</i>		<i>in EUR million (audited)</i>	
Fixed assets.....	77.4	84.8	77.6	85.5
Current assets.....	273.8	243.0	269.3	238.6
Prepaid expenses, deferred tax assets and excess of plan assets over pension liabilities.....	3.8	3.3	2.8	2.8
Total assets.....	370.2	346.0	364.8	341.7
Equity.....	130.8	126.2	136.4	131.1
Provisions.....	113.1	101.0	98.6	94.2
Liabilities.....	124.4	118.0	129.0	116.1
Total equity and liabilities.....	370.2	346.0	364.8	341.7

Key financial information from the consolidated cash flow statement

	1 January to 31 March 2023	1 January to 31 March 2022	1 January to 31 December 2022	1 January to 31 December 2021
Consolidated statements of cash flows	<i>in EUR million (unaudited)</i>		<i>in EUR million (audited)</i>	
From operating activities.....	2.7	-5.8	-7.2	21.1
From investing activities.....	-8.5	-2.6	-2.9	-3.5
From financing activities.....	-1.4	1.6	-10.4	-7.1

Selected key alternative performance measures

	As at 31 March 2023 or for the period from 1 January to 31 March 2023	As at 31 March 2022 or for the period from 1 January to 31 March 2022	As at 31 December 2022 or for the period from 1 January to 31 December 2022	As at 31 December 2021 or for the period from 1 January to 31 December 2021
<i>in EUR million unless otherwise stated (unaudited)</i>				
Selected other financial information				
Alternative Performance Measures according to the Guidelines of the European Securities and Markets Authority (ESMA):				
Total financial liabilities ⁽²⁾	56.9	61.2	57.8	59.4
Net financial liabilities ⁽³⁾	-8.9	-25.7	-15.3	-34.3
Equity ratio in % ⁽⁴⁾	35.3%	36.5%	37.4%	38.4%
EBIT interest coverage ratio (as a multiple) ⁽¹⁾	1.9	-1.6	5.6	6.6
EBITDA interest coverage ratio (as a multiple) ⁽¹⁾	3.9	1.2	8.3	10.0
Total financial liabilities/EBITDA (as a multiple)	-	-	1.6	1.3
Net financial liabilities/EBITDA (as a multiple)	-	-	-0.4	-0.8
Total financial liabilities/(equity + total financial liabilities)	0.3	0.3	0.3	0.3

- (1) The EBIT interest coverage ratio and EBITDA interest coverage ratio are important indicators used by the Company to show the servicing of debt from operating activities. The EBIT interest coverage ratio is calculated by dividing EBIT by interest expenses and similar expenses:

	1 January to 31 March 2023	1 January to 31 March 2022	1 January to 31 December 2022	1 January to 31 December 2021
<i>in EUR million (unaudited)</i>				
Consolidated income statement				
EBIT	2.5	-1.5	23.7	30.0
Interest expenses and similar expenses	1.3	1.0	4.2	4.5
EBIT interest coverage ratio (as a multiple)	1.9	-1.6	5.6	6.6

The EBITDA interest coverage ratio is calculated by dividing EBITDA by interest expenses and similar expenses:

	1 January to 31 March 2023	1 January to 31 March 2022	1 January to 31 December 2022	1 January to 31 December 2021
<i>in EUR million (unaudited)</i>				
Consolidated income statement				
EBITDA	5.3	1.2	35.3	45.3
Interest expenses and similar expenses	1.3	1.0	4.2	4.5
EBITDA interest coverage ratio (as a multiple)	3.9	1.2	8.3	10.0

- (2) Total financial liabilities are calculated as the sum of the outstanding bond and liabilities to banks:

	31 March 2023	31 March 2022	31 December 2022	31 December 2021
<i>in EUR million (unaudited)</i>				
Bond	50.0	50.0	50.0	50.0
Liabilities to banks	6.9	11.2	7.8	9.4
Total financial liabilities	56.9	61.2	57.8	59.4

- (3) Net financial liabilities are calculated as the sum of total financial liabilities less cash-in-hand/bank balances:

	31 March 2023	31 March 2022	31 December 2022	31 December 2021
<i>in EUR million (unaudited)</i>				
Total financial liabilities	56.9	61.2	57.8	59.4
Cash-in-hand/bank balances	65.9	86.9	73.1	93.7
Net financial liabilities	-8.9	-25.7	-15.3	-34.3

If the amount of cash-in-hand and bank balances is higher than the amount of the financial liabilities, the calculated amount describes net financial assets instead of net financial liabilities.

- (4) The equity ratio forms part of the Company's risk management system and is calculated as the ratio of the equity shown in the consolidated statement of financial position to the total assets shown in the consolidated statement of financial position.

What are the key risks that are specific to the issuer?

- The global economy remains volatile and geopolitical risks might affect the business of Hörmann Industries Group and its result of operations

- The development of Hörmann Industries Group depends on a few major customers
- The development of Hörmann Industries Group depends considerably on the economic development in the automotive, commercial vehicles, construction, e-commerce, production and railway industry
- Hörmann Industries Group depends on the development of commodity and energy prices
- Hörmann Industries Group's dependence on third-party suppliers poses a risk in the case of procurement difficulties and inadequate demand and capacity planning
- Hörmann Industries Group is subject to project organisation and project management risks
- Hörmann Industries Group's business might be adversely affected if the Group fails to hire and/or retain qualified staff
- The Issuer is subject to risks related to its role as a holding company and from the absence of profit and loss transfer agreements
- Hörmann Industries Group has considerable pension, leasing and rental obligations which may adversely affect liquidity
- Hörmann Industries Group is dependent on the general development of the capital and credit market as a whole and possibly on the development of project-related financing terms
- Hörmann Industries Group might be exposed to warranty claims, claims for damages or other liability claims
- Hörmann Industries Group may be subject to risks resulting from acquisitions or joint ventures if the expectations regarding income potential, profitability and growth opportunities are not fulfilled as well as risks resulting from divestments in the future

C. Key information on the securities

What are the main features of the securities?

Type, class, ISIN – All Bonds are of the same class, i.e., senior unsecured fixed rate bonds. The Bonds have been assigned the following securities codes: International Securities Identification Number ("**ISIN**") NO0012938325 and German Securities Identification Number (*Wertpapier-Kenn-Nummer*, "**WKN**") A351U9.

Transaction Security – The Bonds will be unsecured.

Currency, Denomination, par value and number of securities issued – The Bonds are denominated in Euro. Each Bond has a notional value of EUR 1,000. The total number of Bonds offered is up to 50,000, representing a total nominal amount of up to EUR 50,000,000.

Rights attached, seniority and transferability – The Bonds will give each Bondholder the right to receive the following:

- the interest amount(s) payable; and
- the payment of the redemption amount on the Maturity Date (as defined in the Bond Terms) or the applicable amount payable in case of an early redemption or termination of the Bonds.

Where will the securities be traded?

Application is intended to be made by the Manager for inclusion of the Bonds to trading (i) on the Open Market (*Freiverkehr*) of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*), and (ii) within six months after the issue date of the Bonds the Nordic ABM.

Pay-out policy (interest payments) – The Bonds will bear interest from and including 11 July 2023 to, but excluding, 11 July 2028 ("**Maturity Date**") at the interest rate. Interest is payable annually on each 11 July (each an "**Interest Payment Date**"). The first Interest Payment Date is 11 July 2024 and the last Interest Payment Date is the Maturity Date. The Bonds will mature on the Maturity Date, subject to an early redemption. The total nominal amount and the final interest rate of the Bonds are expected to be determined on 30 June 2023 based on the exchange and subscription orders received under the offer and communicated to investors in a pricing decision which will be published on the website of the Luxembourg Stock Exchange (www.luxse.com) and the Issuer (www.hoermann-gruppe.com).

What are the key risks attached to the securities?

- The Bonds are unsecured and will be effectively subordinated to any secured debt of the Issuer
- The Issuer may not be able to make required repurchases of Bonds
- Bondholders of the Issuer's 2019/2024 Bonds accepting the Exchange Offer will acquire the Bonds which will become due for redemption only after the 2019/2024 Bonds

D. Key information on the offer of securities to the public

Under which conditions and timetable can I invest in this security?

Scope of the Offering: The Offering consists of:

- (i) a public offer of up to EUR 50,000,000 new senior 6.50 % - 7.50 % bonds with the ISIN NO0012938325 ("**Bonds**") by the Issuer in the Federal Republic of Germany ("**Germany**") and the Grand Duchy of Luxembourg ("**Luxembourg**") via the subscription system DirectPlace of the Frankfurt Stock Exchange (Xetra subscription functionality) and the publication of an announcement in the Luxemburger Wort ("**Public Offer**");
- (ii) a public exchange offer by the Issuer to the holders of the EUR 50,000,000 4.500 % 2019/2024 bonds issued by the Issuer (ISIN NO0010851728; WKN A2TSCH) on 6 June 2019 ("**2019/2024 Bonds**") to exchange their 2019/2024 Bonds into the Bonds ("**Exchange Offer**"); and
- (iii) an option to purchase where the participants in the Exchange Offer can subscribe for further Bonds ("**Option to Purchase**").

Furthermore, the Bonds will be offered in a private placement to qualified investors as well as to further investors in accordance with applicable exemptions for private placements ("**Private Placement**" and, together with the Public Offer, the Exchange Offer and the Option to Purchase, "**Offering**"). There are no minimum or maximum amounts for subscription offers for the Bonds in the Public Offer, the Exchange Offer and the Option to Purchase. Investors can submit subscription offers of any amount starting from the denomination of one Bond (EUR 1,000) or a multiple thereof.

Pareto Securities AS, Frankfurt Branch with its registered seat in Frankfurt am Main, Germany, and registered with the commercial register (*Handelsregister*) of the local court (*Amtsgericht*) of Frankfurt am Main, Germany, under the registration number HRB 109177, with its business address at Gräfstraße 97, 60487 Frankfurt am Main, Germany (telephone: +49 (0) 69 58997-0; website: <https://paretosec.com/>) (the "**Manager**") intends to apply for inclusion of the Bonds to trading on the Open Market (*Freiverkehr*) of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) ("**Open Market**"), and the Issuer intends to apply for inclusion of the Bonds to trading within six months after the issue date of the Bonds on the Nordic ABM, a self-regulated marketplace organised and operated by the Oslo Stock Exchange (*Oslo Børs*) ("**Nordic ABM**"). Neither the Open Market nor the Nordic ABM are regulated markets for the purpose of Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments (as amended, "**MiFID II**").

Offer period and offer price – The exchange period for the Exchange Offer and the Public Offer in Luxembourg begins on 16 June 2023. The Exchange Period ends on 28 June 2023 (18:00 CEST) ("**Exchange Period**"). The offer period, during which investors have the opportunity to submit subscription offers via the subscription system DirectPlace of the Frankfurt Stock Exchange (Xetra subscription functionality) in the context of the Public Offer ("**Offer Period**") begins on 21 June 2023 in compliance with statutory provisions. The Offer Period and the Public Offer in Luxembourg end on 30 June 2023 (12:00 CEST). The offer price is 100%.

Expected timetable – The following is the expected timetable of the Offering and the inclusion to trading, which remains subject to change:

14 June 2023	Approval of this Prospectus by the CSSF
	Publication of the approved Prospectus on the Issuer's website (www.hoermann-gruppe.com)

16 June 2023	Commencement of the Exchange Period and the Public Offer in Luxembourg Application for inclusion of the Bonds to trading on the Open Market (<i>Freiverkehr</i>) of the Frankfurt Stock Exchange (<i>Frankfurter Wertpapierbörse</i>)
21 June 2023	Commencement of the Offer Period for the Public Offer via the subscription system DirectPlace of the Frankfurt Stock Exchange (Xetra subscription functionality)
28 June 2023	End of the Exchange Period
30 June 2023	End of the Public Offer in Luxembourg and the Offer Period for the Public Offer via the subscription system DirectPlace of the Frankfurt Stock Exchange (Xetra subscription functionality) Announcement of the final results of the Offering on the Issuer's website
11 July 2023	Expected issuance and delivery of the Bonds Expected inclusion of the Bonds to trading on the Open Market (<i>Freiverkehr</i>) of the Frankfurt Stock Exchange (<i>Frankfurter Wertpapierbörse</i>)

Total expenses and expenses charged to investors – Assuming a sale of all Bonds and an acceptance quota of 50 per cent. of the Exchange Offer, the Issuer's total expenses in relation to the Offering and the inclusion of the Bonds to trading will be approximately EUR 23,442,500. Investors will not be charged any expenses by the Issuer or the Manager. Investors may, however, have to bear customary transaction and handling fees charged by their account-keeping financial institutions.

Who is the offeror?

Offeror – The Bonds will be offered in the Public Offer, the Exchange Offer and the Option to Purchase by the Issuer.

Why is this Prospectus being produced?

Reasons for the Offering – This Prospectus has been prepared for the Public Offer, the Exchange Offer and the Option to Purchase.

Use and estimated amount of the net proceeds – Assuming a sale of all Bonds and acceptance quota of 50 per cent. of the Exchange Offer, the net proceeds of the Issuer from the Offering would amount to approximately EUR 23,442,500. The Issuer intends to use the net proceeds for purposes of its general business including the refinancing of its outstanding 2019/2024 Bonds, to the extent not exchanged into the Bonds offered herewith.

Engagement letter – The Issuer and the Manager entered into an engagement letter dated 14 May 2023 in which the Manager has agreed, subject to certain conditions, to offer the Bonds in the Private Placement, and to apply for the Bonds to be included to trading on the Open Market (*Freiverkehr*) of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*), and to assist the Issuer to apply for the Bonds to be included to trading on the Nordic ABM.

Conflicts of interests – The remuneration for the services of the Manager in connection with the Offering depends on various factors, in particular the amount of the gross issue proceeds achieved. This may result in conflicts of interest insofar as the Manager's interest in maximising the remuneration may conflict with legal or contractual obligations to disclosure of risks of the Offering and/or the Bonds for the protection of the Issuer and/or potential investors.

ZUSAMMENFASSUNG DIESES PROSPEKTS

A. Einleitung und Warnhinweise

Bezeichnung und ISIN der Wertpapiere

Dieser Prospekt ("**Prospekt**") bezieht sich auf ein öffentliches Angebot von bis zu EUR 50.000.000 6,50 % - 7,50 % Schuldverschreibungen mit der ISIN NO0012938325 ("**Schuldverschreibungen**") der Hörmann Industries GmbH (die "**Emittentin**" oder die "**Gesellschaft**" und, zusammen mit ihren konsolidierten Tochtergesellschaften, "**Hörmann Industries Gruppe**" oder die "**Gruppe**").

Identität und Kontaktdaten der Emittentin, einschließlich der LEI

Die Emittentin ist eine Gesellschaft mit beschränkter Haftung nach deutschem Recht. Die Emittentin hat ihren Sitz in Kirchseeon, Deutschland, und ist im Handelsregister des Amtsgerichts München, Deutschland ("**Handelsregister**"), unter der Registernummer HRB 141701 eingetragen, mit der Geschäftsadresse Hauptstrasse 45-47, 85614 Kirchseeon, Deutschland, (Telefon: +49 8091 56 30 0; Internetseite: www.hoermann-gruppe.com). Die Legal Entity Identifier ("**LEI**") der Emittentin lautet 5299009E2YKF66FJZ622.

Identität und Kontaktdaten der zuständigen Behörde, die diesen Prospekt billigt

Am 14. Juni 2023 hat die Commission de Surveillance du Secteur Financier ("**CSSF**"), 283 Route d'Arlon, L-1150 Luxembourg Tel. (+352) 26 25 1-1, E-Mail: direction@cssf.lu, diesen Prospekt als zuständige Behörde gemäß der Verordnung (EU) 2017/1129 des Europäischen Parlaments und des Rates vom 14. Juni 2017 betreffend den Prospekt, der beim öffentlichen Angebot von Wertpapieren oder bei deren Zulassung zum Handel an einem geregelten Markt zu veröffentlichen ist, und zur Aufhebung der Richtlinie 2003/71/EG in ihrer geänderten Fassung genehmigt.

Warnhinweise

Diese Zusammenfassung sollte als Prospektinleitung verstanden werden. Anleger sollten sich bei jeder Entscheidung, in die Aktien zu investieren, auf diesen Prospekt als Ganzes stützen. Die Anleger könnten das gesamte angelegte Kapital oder einen Teil davon verlieren. Für den Fall, dass vor einem Gericht Ansprüche aufgrund der in diesem Prospekt enthaltenen Informationen geltend gemacht werden, könnte der als Kläger auftretende Anleger nach nationalem Recht die Kosten für die Übersetzung dieses Prospekts vor Prozessbeginn zu tragen haben. Zivilrechtlich haften nur diejenigen Personen, die diese Zusammenfassung samt etwaiger Übersetzungen vorgelegt und übermittelt haben, und dies auch nur für den Fall, dass diese Zusammenfassung, wenn sie zusammen mit den anderen Teilen dieses Prospekts gelesen wird, irreführend, unrichtig oder widersprüchlich ist oder dass sie, wenn sie zusammen mit den anderen Teilen dieses Prospekts gelesen wird, nicht die Basisinformationen vermittelt, die in Bezug auf Anlagen in die Aktien für die Anleger eine Entscheidungshilfe darstellen würden.

B. Basisinformationen über die Emittentin

Wer ist die Emittentin der Wertpapiere?

Sitz und anwendbares Recht – Die Emittentin ist eine nach deutschem Recht gegründete und bestehende Gesellschaft mit beschränkter Haftung. Die Emittentin hat ihren Satzungssitz in Kirchseeon, Deutschland. Der gesetzliche Name der Emittentin lautet "Hörmann Industries GmbH". Die kommerzielle Bezeichnung der Emittentin lautet "Hörmann". Die LEI der Emittentin ist 5299009E2YKF66FJZ622.

Haupttätigkeiten – Die Emittentin ist eine indirekte Tochtergesellschaft der Hörmann Holding GmbH & Co. KG, deren Anteile von der Familie Hörmann gehalten werden. Die Aktivitäten der Hörmann Industries Gruppe gliedern sich in die folgenden vier Geschäftsbereiche: Automotive, Communication, Intralogistik und Engineering.

Die Hörmann Industries-Gruppe ist mit ihrem Geschäftsbereich **Automotive** einer der führenden Anbieter von Metallkomponenten, Modulen und Systemen für die europäische Nutzfahrzeug-, Bau- und Landmaschinenindustrie. Der Geschäftsbereich Automotive deckt mit seinen Leistungen in den Bereichen Engineering, Technologieentwicklung, Produktion und Logistik die gesamte Wertschöpfungskette ab.

Im Geschäftsbereich **Communication** ist die Hörmann Industries-Gruppe (unter anderem über die Funkwerk AG und ihre Tochtergesellschaften, die "**Funkwerk-Gruppe**") ein technologisch führender Anbieter von Kommunikations-, Informations- und Warnsystemen. Im Mittelpunkt stehen Hard- und Softwarekomponenten für Bahnen, den öffentlichen Personennahverkehr, die Binnenschifffahrt und Flughäfen sowie intelligente Sicherheitssysteme zum Schutz von Gebäuden, öffentlichen Plätzen, Industrieanlagen, Verkehr und Menschen. Die Funkwerk-Gruppe bietet maßgeschneiderte Lösungen für die Sprach- und Datenkommunikation über analoge und digitale Mobilfunknetze (LTE, GSM-R) im Schienenverkehr.

Aufgrund der dynamischen Marktentwicklung und der steigenden Marktnachfrage nach anspruchsvollen Systemlösungen für die Intralogistik, nach Automatisierungslösungen für die Produktions-, Lager- und Distributionslogistik sowie nach Dienstleistungen für diese Branchen bündelt die Hörmann Industries-Gruppe seit dem ersten Halbjahr 2022 ihre bisher im Geschäftsbereich Services zusammengefassten Aktivitäten und einige Einheiten des Geschäftsbereichs Engineering im neu geschaffenen Geschäftsbereich Intralogistik. Der Geschäftsbereich Intralogistik ist als Generalunternehmer in der Planung und Realisierung schlüsselfertiger Materialflusssysteme tätig. Mit Materialflusskonzepten und komplexen Lagerstrategien werden Intralogistiklösungen für individuelle Anforderungen umgesetzt und so internationalen Kunden aus den unterschiedlichsten Branchen Produktivitäts- und Effizienzsteigerungen ermöglicht. Das Portfolio des Geschäftsbereichs wurde um die Entwicklung, Planung und Fertigung von Förderanlagen erweitert. Durch die Integration des Geschäftsbereichs Services wird das Lösungsspektrum um den After-Sales-Service im Geschäftsbereich Intralogistik erweitert und die vertikale Integration durch eigene Montageleistungen und Inbetriebnahmen erhöht.

Im Geschäftsbereich **Engineering** ist die Hörmann Industries Gruppe in der Gebäude- und Industrieplanung sowie in der Fahrzeugentwicklung tätig. Ergänzt wird dieses Leistungsspektrum durch die Entwicklung und Produktion von Detektoren zur Messung ionisierender Strahlung.

Hauptanteilseigner und Beherrschung – Die Aktionäre der Emittentin sind derzeit die Hörmann Beteiligungsholding GmbH (85 %), die Hans Hörmann Holding GmbH & Co. KG (14 %) und die Hörmann Holding GmbH & Co. KG (1 %). Die Mitglieder der Familie Hörmann halten letztlich 100 % der Anteile an der Muttergesellschaft der Emittentin, der Hörmann Holding GmbH & Co. KG, was ihnen die Möglichkeit gibt, die Kontrolle über die Hörmann-Gruppe und letztlich die Hörmann Industries-Gruppe auszuüben.

Hauptgeschäftsführer – Dr. Ing. Michael Radke (CEO), Johann Schmid-Davis (CFO) und Dr. Ing. Christian E. Baur (CTO) vertreten die Gesellschaft als Geschäftsführer.

Abschlussprüfer – Der Abschlussprüfer der Emittentin ist die BDO AG Wirtschaftsprüfungsgesellschaft, Zielstattstraße 40, 81379 München, Deutschland.

Welches sind die wesentlichen Finanzinformationen über die Emittentin?

Die folgenden ausgewählten Finanzinformationen wurden dem (i) ungeprüften konsolidierten Zwischenbericht der Emittentin für den Zeitraum vom 1. Januar 2023 bis zum 31. März 2023 (der "**Ungeprüfte Zwischenabschluss**") und (ii) den geprüften konsolidierten Jahresabschlüssen der Emittentin zum 31. Dezember 2021 und zum 31. Dezember 2022 entnommen oder daraus abgeleitet, die in Übereinstimmung mit die geprüften Konzernabschlüsse der Emittentin für die Geschäftsjahre zum 31. Dezember 2021 und zum 31. Dezember 2022, die in Übereinstimmung mit den allgemein anerkannten Rechnungslegungsgrundsätzen des deutschen Handelsrechts für Kapitalgesellschaften und den ergänzenden Bestimmungen des Gesetzes betreffend die Gesellschaften mit beschränkter Haftung erstellt wurden (die "**Geprüften Konzernabschlüsse**") und (iii) die Buchhaltungsunterlagen oder internen Management-Berichtssysteme der Emittentin.

Die Bezeichnung "geprüft" in den Tabellen dieses Prospekts bedeutet, dass die Finanzinformationen dem geprüften konsolidierten Jahresabschluss entnommen wurden. Die Bezeichnung "ungeprüft" in den Tabellen in diesem Prospekt bedeutet, dass die Finanzinformationen (i) dem ungeprüften Zwischenabschluss, (ii) der internen Buchhaltung oder den internen Berichtssystemen der Emittentin

entnommen wurden oder (iii) auf Berechnungen von Zahlen aus den vorgenannten Quellen oder aus dem geprüften Konzernabschluss beruhen.

Bestimmte Finanzinformationen, einschließlich Prozentsätze, wurden nach den gängigen Handelsstandards gerundet.

Wesentliche Finanzinformationen aus der Konzern-Gewinn- und Verlustrechnung

	1. Januar bis 31. März 2023	1. Januar bis 31. März 2022	1. Januar bis 31. Dezember 2022	1. Januar bis 31. Dezember 2021
Konzern-Gewinn und Verlustrechnung	<i>In EUR Mio. (ungeprüft)</i>		<i>In EUR Mio. (geprüft)</i>	
Umsatzerlöse.....	172,1	127,0	685,7	589,8
Erhöhung des Bestands an fertigen und unfertigen Erzeugnissen	23,1	23,6	22,1	36,7
Andere aktivierte Eigenleistungen.....	0,1	0,0	1,1	0,3
Sonstige betriebliche Erträge.....	2,4	2,3	16,1	11,6
Materialaufwand	-118,1	-88,1	-419,9	-343,7
Gesamtleistung	195,3	150,6	709,0	626,8
Bruttogewinn/-verlust.....	79,7	64,8	305,2	294,7
Personalaufwand	-48,8	-44,0	-179,7	-167,1
Abschreibungen auf immaterielle Vermögensgegenstände und Sachanlagen	-2,8	-2,7	-11,6	-15,3
Sonstige betriebliche Aufwendungen	-25,2	-19,3	-89,1	-81,0
Sonstige Steuern.....	-0,4	-0,4	-1,2	-1,2
EBITDA ⁽²⁾	5,3	1,2	35,3	45,3
EBIT ⁽¹⁾	2,5	-1,5	23,7	30,0
Finanzergebnis	-1,0	-0,9	-3,3	-3,7
Steuern vom Einkommen und Ertrag	-1,4	-1,5	-8,5	-12,2
Latente Steuern	0,0	0,0	0,4	0,3
Konzernjahresüberschuss	0,1	-3,9	12,2	14,4

Alternative Leistungskennzahlen nach den Richtlinien der European Securities and Markets Authority (ESMA):

(1) EBIT stellt das Rohergebnis (Umsatzerlöse, Bestandsveränderung an fertigen und unfertigen Erzeugnissen, andere aktivierte Eigenleistungen, sonstige betriebliche Erträge, Materialaufwand) abzüglich Personalaufwand, Abschreibungen auf immaterielle Vermögensgegenstände und Sachanlagen und sonstige betriebliche Aufwendungen in der jeweiligen Periode dar. Diese Kennzahl zeigt das Betriebsergebnis unabhängig von regionalen Besteuerungen und unterschiedlichen Finanzierungsformen an. Dadurch kann diese Kennzahl zum internationalen Vergleich von Unternehmen herangezogen werden.

(2) EBITDA errechnet sich wie das EBIT, jedoch vor Abzug der Abschreibungen auf immaterielle Vermögensgegenstände und Sachanlagen.

Wesentliche Finanzinformationen aus der Konzern-Bilanz

	31. März 2023	31. März 2022	31. Dezember 2022	31. Dezember 2021
Konzern-Bilanz	<i>In EUR Mio. (ungeprüft)</i>		<i>In EUR Mio. (geprüft)</i>	
Anlagevermögen	77,4	84,8	77,6	85,5
Umlaufvermögen.....	273,8	243,0	269,3	238,6
Rechnungsabgrenzungsposten, latente Steueransprüche und Überschuss des Planvermögens über die Pensionsverpflichtungen	3,8	3,3	2,8	2,8
Gesamtvermögen.....	370,2	346,0	364,8	341,7
Eigenkapital	130,8	126,2	136,4	131,1
Rückstellungen.....	113,1	101,0	98,6	94,2
Verbindlichkeiten.....	124,4	118,0	129,0	116,1
Eigenkapital und Verbindlichkeiten insgesamt.....	370,2	346,0	364,8	341,7

Wesentliche Finanzinformationen aus der Konzern-Kapitalflussrechnung

	1. Januar bis 31. März 2023	1. Januar bis 31. März 2022	1. Januar bis 31. Dezember 2022	1. Januar bis 31. Dezember 2021
Konzern-Kapitalflussrechnung	<i>In EUR Mio (ungeprüft)</i>		<i>In EUR Mio (geprüft)</i>	
Aus laufender Geschäftstätigkeit.....	2,7	-5,8	-7,2	21,1
Aus Investitionstätigkeit.....	-8,5	-2,6	-2,9	-3,5
Aus Finanzierungstätigkeit.....	-1,4	1,6	-10,4	-7,1

Ausgewählte alternative Leistungsindikatoren

	Zeitraum vom 1. Januar bis 31. März 2023	Zeitraum vom 1. Januar bis 31. März 2022	Zeitraum vom 1. Januar bis 31. Dezember 2022	Zeitraum vom 1. Dezember bis 31. Dezember 2021
<i>In EUR Mio. sofern nicht anders angegeben (ungeprüft)</i>				
Ausgewählte sonstige Finanzinformationen				
Alternative Leistungskennzahlen nach den Richtlinien der European Securities and Markets Authority (ESMA)				
Gesamtfinanzverbindlichkeiten ⁽²⁾	56,9	61,2	57,8	59,4
Nettofinanzverbindlichkeiten ⁽³⁾	-8,9	-25,7	-15,3	-34,3
Eigenkapitalquote in % ⁽⁴⁾	35,3%	36,5%	37,4%	38,4%
EBIT Interest Coverage Ratio (in Vielfache) ⁽¹⁾	1,9	-1,6	5,6	6,6
EBITDA Interest Coverage Ratio (in Vielfache) ⁽¹⁾	3,9	1,2	8,3	10,0
Gesamtfinanzverbindlichkeiten / EBITDA (in Vielfache)	-	-	1,6	1,3
Nettofinanzverbindlichkeiten / EBITDA (in Vielfache)	-	-	-0,4	-0,8
Gesamtfinanzverbindlichkeiten / (Eigenkapital + Gesamtfinanzverbindlichkeiten)	0,3	0,3	0,3	0,3

- (1) Die EBIT Interest Coverage Ratio und die EBITDA Interest Coverage Ratio sind von der Gesellschaft benutzte wichtige Kennzahlen um die Bedienung des Schuldendienstes aus dem operative Geschäft darzustellen. Die EBIT Interest Coverage Ratio berechnet sich aus EBIT geteilt durch Zinsaufwand und ähnliche Aufwendungen:

	1. Januar bis 31. März 2023	1. Januar bis 31. März 2022	1. Januar bis 31. Dezember 2022	1. Januar bis 31. Dezember 2021
<i>in EUR million (unaudited)</i>				
Konzern-Gewinn- und Verlustrechnung				
EBIT	2,5	-1,5	23,7	30,0
Zinsaufwand und ähnliche Aufwendungen	1,3	1,0	4,2	4,5
EBIT Interest Coverage Ratio (in Vielfache)	1,9	-1,6	5,6	6,6

- Die EBITDA Interest Coverage Ratio berechnet sich aus EBITDA geteilt durch Zinsaufwand und ähnliche Aufwendungen:

	1. Januar bis 31. März 2023	1. Januar bis 31. März 2022	1. Januar bis 31. Dezember 2022	1. Januar bis 31. Dezember 2021
<i>In EUR Mio. (ungeprüft)</i>				
Konzern-Gewinn- und Verlustrechnung				
EBITDA	5,3	1,2	35,3	45,3
Zinsaufwand und ähnliche Aufwendungen	1,3	1,0	4,2	4,5
EBITDA Interest Coverage Ratio (in Vielfache)	3,9	1,2	8,3	10,0

- (2) Die Gesamtfinanzverbindlichkeiten errechnen sich aus der Summe der ausstehenden Anleihe und der Verbindlichkeiten gegenüber Kreditinstituten:

	31. März 2023	31. März 2022	31. Dezember 2022	31. Dezember 2021
<i>In EUR Mio. (ungeprüft)</i>				
Anleihe	50,0	50,0	50,0	50,0
Verbindlichkeiten gegenüber Kreditinstituten	6,9	11,2	7,8	9,4
Gesamtfinanzverbindlichkeiten	56,9	61,2	57,8	59,4

- (3) Die Nettofinanzverbindlichkeiten ergeben sich aus der Summe der Gesamtfinanzverbindlichkeiten abzüglich dem Kassenbestand/Guthaben bei Kreditinstituten:

	31. März 2023	31. März 2022	31. Dezember 2022	31. Dezember 2021
<i>In EUR Mio. (ungeprüft)</i>				
Gesamtfinanzverbindlichkeiten	56,9	61,2	57,8	59,4
Kassenbestand/-guthaben bei Kreditinstituten	65,9	86,9	73,1	93,7
Nettofinanzverbindlichkeiten	-8,9	-25,7	-15,3	-34,3

Sofern die liquiden Mittel die Finanzverbindlichkeiten übersteigen, stellt der ermittelte Betrag ein Nettofinanzvermögen anstatt Nettofinanzverbindlichkeit dar.

- (4) Die Eigenkapitalquote ist Teil der Risikosteuerung der Gesellschaft und errechnet sich aus dem Verhältnis Eigenkapital aus der Konzern-Bilanz im Verhältnis zu Bilanzsumme aus der Konzern-Bilanz.

Welches sind die zentralen Risiken, die für die Emittentin spezifisch sind?

- Die globale Wirtschaft bleibt volatil und geopolitische Risiken können das Geschäft der Hörmann Industries Gruppe sowie ihr Betriebsergebnis beeinträchtigen.
- Die Entwicklung der HÖRMANN Industries Gruppe ist abhängig von wenigen Großkunden.
- Die Entwicklung der Hörmann Industries Gruppe, hängt wesentlich von den konjunkturellen Entwicklung in der Automobilindustrie, Nutzfahrzeugindustrie, Bauindustrie, E-Commerce Industrie, produzierenden Industrie und Bahnindustrie ab.
- Die Hörmann Industries Gruppe unterliegt Risiken in Bezug auf ihre Abhängigkeiten von Rohstoff- und Energiepreisen.
- Die Hörmann Industries Gruppe ist auf Drittzulieferer angewiesen, was im Falle von Beschaffungsschwierigkeiten und unzureichender Bedarfs- und Kapazitätsplanung Risiken birgt.
- Die Hörmann Industries Gruppe unterliegt Risiken aus dem Bereich Projektorganisation und -management.
- Die Geschäftstätigkeit der Hörmann Industries Gruppe könnte negativ beeinträchtigt werden, wenn es ihr nicht gelingt, qualifiziertes Personal zu gewinnen und zu halten.
- Die Emittentin unterliegt Risiken in Bezug auf ihre Rolle als Holding-Gesellschaft und aus dem Fehlen von Gewinnabführungsverträgen.
- Die Hörmann Industries Gruppe verfügt über erhebliche Pensions -, Leasing - und Mietverpflichtungen, die die Liquiditätssituation in Zukunft beeinträchtigen können.
- Die Hörmann Industries Gruppe ist abhängig von der allgemeinen Entwicklung des Kapital- und Kreditmarktes insgesamt und gegebenenfalls von der Entwicklung von projektbezogenen Finanzierungsbedingungen.
- Die Hörmann Industries Gruppe kann Gewährleistungs-, Schadensersatz- und sonstigen Ansprüchen ausgesetzt sein.

C. Basisinformationen über die Wertpapiere

Welches sind die wichtigsten Merkmale der Wertpapiere?

Art, Gattung, ISIN – Alle Schuldverschreibungen sind von der gleichen Gattung, d.h. vorrangig besicherte Schuldverschreibungen. Den Schuldverschreibungen wurden die folgenden Wertpapierkennnummern zugewiesen: die International Securities Identification Number ("ISIN") NO0012938325 und die deutsche Wertpapier-Kenn-Nummer ("WKN") A351U9.

Transaktionssicherheiten – Die Schuldverschreibungen sind unbesichert.

Währung, Stückelung, Nennwert, Anzahl der begebenen Wertpapiere – Die Schuldverschreibungen lauten auf Euro. Jede Schuldverschreibung hat einen Nennwert von EUR 1.000. Die Gesamtzahl der angebotenen Schuldverschreibungen beträgt bis zu 50.000 was einem Gesamtnennbetrag von EUR 50.000.000 entspricht.

Verbundene Rechte, Rang und Übertragbarkeit – Die Schuldverschreibungen geben jedem Inhaber von Schuldverschreibungen das Recht, Folgendes zu erhalten:

- den/die zu zahlenden Zinsbetrag/Zinsbeträge; und
- die Zahlung des Rückzahlungsbetrages am Fälligkeitstag (wie in den Anleihebedingungen definiert) oder des entsprechenden Betrages, der im Falle einer vorzeitigen Rückzahlung oder Kündigung der Schuldverschreibungen zu zahlen ist.

Wo werden die Wertpapiere gehandelt?

Es ist beabsichtigt, dass der Manager die Einbeziehung der Schuldverschreibungen (i) in den Handel im Freiverkehr der Frankfurter Wertpapierbörse und (ii) innerhalb von sechs Monaten nach dem Ausgabedatum für die Schuldverschreibungen im Nordic ABM beantragt.

Auszahlungspolitik (Zinszahlungen) – Die Schuldverschreibungen werden ab einschließlich dem 11. Juli 2023 bis, aber ausschließlich dem 11. Juli 2028 ("**Fälligkeitstag**") mit dem Zinssatz verzinst. Die Zinsen sind jährlich an jedem 11. Juli (jeweils ein "**Zinszahlungstag**") fällig. Der erste Zinszahlungstag ist der 11. Juli 2023 und der letzte Zinszahlungstag ist der Fälligkeitstag. Die Schuldverschreibungen werden am Fälligkeitstag fällig, vorbehaltlich einer vorzeitigen Rückzahlung. Der Gesamtnennbetrag und der finale

Zinssatz der Schuldverschreibungen werden voraussichtlich am 30. Juni 2023 auf der Grundlage der im Rahmen des Angebots eingegangenen Umtausch- und Zeichnungsangebote festgelegt und den Anlegern in einer Preisentscheidung mitgeteilt, die auf der Website der Luxemburger Börse (www.luxse.com) und der Internetseite der Emittentin (www.hoermann-gruppe.com) veröffentlicht wird.

Was sind die zentralen Risiken, die für die Wertpapiere spezifisch sind?

- Die Schuldverschreibungen sind unbesichert und werden effektiv gegenüber allen besicherten Schulden der Emittentin nachrangig sein.
- Die Emittentin wird möglicherweise nicht in der Lage sein, erforderliche Rückkäufe der Schuldverschreibungen durchzuführen.
- Anleihegläubiger der Schuldverschreibungen 2019/2024, die das Umtauschangebot annehmen, erwerben Schuldverschreibungen, die zu einem späteren Zeitpunkt als die Schuldverschreibungen 2019/2024 fällig werden.

Zu welchen Konditionen und nach welchem Zeitplan kann ich in dieses Wertpapier investieren?

Umfang des Angebots – Das öffentliche Angebot besteht aus:

- (i) einem öffentlichen Angebot von bis zu EUR 50.000.000 6,50 % - 7,50 % Schuldverschreibungen mit der ISIN NO0012938325 der Emittentin in der Bundesrepublik Deutschland ("**Deutschland**") und dem Großherzogtum Luxemburg ("**Luxemburg**") über das Zeichnungssystem DirectPlace der Frankfurter Wertpapierbörse (Xetra Zeichnungsfunktionalität) und durch die Veröffentlichung einer Anzeige im Luxemburger Wort ("**Öffentliches Angebot**");
- (ii) einem öffentlichen Umtauschangebot der Emittentin an die Inhaber der von der Emittentin am 6. Juni 2019 begebenen (ISIN NO0010851728; WKN A2TSCB) Schuldverschreibungen 2019/2024 ("**2019/2024 Anleihe**") zum Umtausch ihrer 2019/2024 Anleihen in die Schuldverschreibungen ("**Umtauschangebot**"); und
- (iii) einer Mehrerwerbsoption, bei der die Teilnehmer des Umtauschangebots weitere Schuldverschreibungen zeichnen können ("**Mehrerwerbsoption**").

Darüber hinaus werden die Schuldverschreibungen im Rahmen einer Privatplatzierung qualifizierten Anlegern sowie weiteren Anlegern in Übereinstimmung mit den geltenden Ausnahmeregelungen für Privatplatzierungen angeboten ("**Privatplatzierung**" und zusammen mit dem öffentlichen Angebot, dem Umtauschangebot und der Mehrerwerbsoption, "**Angebot**"). Es keine Mindest- oder Höchstbeträge für Zeichnungsangebote für die Schuldverschreibungen im öffentlichen Angebot, dem Umtauschangebot und der Mehrerwerbsoption. Die Anleger können Zeichnungsangebote in beliebiger Höhe ab der Stückelung einer Anleihe (EUR 1.000) oder eines Vielfachen davon abgeben.

Pareto Securities AS, Frankfurt Branch mit Sitz in Frankfurt am Main, Deutschland, eingetragen im Handelsregister des Amtsgerichts Frankfurt am Main, Deutschland, unter der Registernummer HRB 109177, mit der Geschäftsadresse Gräfenstraße 97, 60487 Frankfurt am Main, Deutschland, (Telefon: +49 (0) 69 58997-0; Internetseite: <https://paretosec.com/>) (der "**Manager**") beabsichtigt, einen Antrag auf Einbeziehung der Schuldverschreibungen in den Freiverkehr der Frankfurter Wertpapierbörse zu stellen und die Emittentin beabsichtigt, einen Antrag auf Einbeziehung der Schuldverschreibungen innerhalb von sechs Monaten nach dem Ausgabedatum für die Schuldverschreibungen in das Nordic ABM, einen von der Osloer Börse (*Oslo Børs*) organisierten und betriebenen selbstregulierten Marktplatz ("**Nordic ABM**"), zu stellen. Weder der Freiverkehr noch das Nordic ABM sind geregelte Märkte im Sinne der Richtlinie 2014/65/EU des Europäischen Parlaments und des Rates vom 15. Mai 2014 über Märkte für Finanzinstrumente (in der jeweils geltenden Fassung, "**MiFID II**").

Angebotsfrist und Angebotspreis – Die Umtauschfrist für das Umtauschangebot und das öffentliche Angebot in Luxemburg beginnen am 16. Juni 2023. Die Umtauschfrist endet am 28. Juni 2023 (18:00 MESZ) ("**Umtauschfrist**"). Die Angebotsfrist, in der Anleger die Möglichkeit haben, im Rahmen des öffentlichen Angebots über das Zeichnungssystem der Frankfurter Wertpapierbörse (Xetra-Zeichnungsfunktionalität) Zeichnungsangebote abzugeben ("**Angebotsfrist**"), beginnt am 21. Juni 2023 in Übereinstimmung mit den gesetzlichen Bestimmungen. Die Angebotsfrist sowie das Öffentliche Angebot in Luxemburg enden am 30. Juni 2023 (12:00 MEZ). Der Angebotspreis beträgt 100 %.

Voraussichtlicher Zeitplan – Im Folgenden wird der voraussichtliche Zeitplan für das Angebot und die Einbeziehung in den Handel dargestellt, der noch Änderungen unterliegt:

14. Juni 2023	Billigung dieses Prospekts durch die CSSF
	Veröffentlichung des gebilligten Prospekts auf der Website der Emittentin (www.hoermann-gruppe.com)
16. Juni 2023	Beginn der Umtauschfrist und des Öffentlichen Angebots in Luxemburg Antrag auf Einbeziehung der Schuldverschreibungen in den Freiverkehr der Frankfurter Wertpapierbörse
21. Juni 2023	Beginn der Angebotsfrist für das öffentliche Angebot über das Zeichnungssystem der Frankfurter Wertpapierbörse (Xetra-Zeichnungsfunktionalität)
28. Juni 2023	Ende der Umtauschfrist
30. Juni 2023	Ende des Angebotszeitraums für das Öffentliche Angebot in Luxemburg und die Angebotsfrist für das Öffentliche Angebot über das Zeichnungssystem der Frankfurter Wertpapierbörse (Xetra-Zeichnungsfunktionalität)
	Bekanntgabe der endgültigen Ergebnisse des Angebots auf der Website der Emittentin
11. Juli 2023	Voraussichtliche Emission und Lieferung der Schuldverschreibungen
	Voraussichtliche Einbeziehung der Schuldverschreibungen in den Freiverkehr der Frankfurter Wertpapierbörse und

Gesamtkosten und Kosten, die den Investoren in Rechnung gestellt werden – Unter der Annahme, dass alle Schuldverschreibungen verkauft werden und bei einer Annahmequote des Umtauschangebots von 50 %, werden sich die Gesamtkosten der Emittentin im Zusammenhang mit dem Angebot und der Börsennotierung der Schuldverschreibungen auf etwa EUR 23.442.500 belaufen. Den Anlegern werden keine Kosten von der Emittentin oder dem Manager in Rechnung gestellt. Die Anleger müssen jedoch möglicherweise die üblichen Transaktions- und Bearbeitungsgebühren ihrer kontoführenden Finanzinstitute tragen.

Wer ist der Anbieter?

Anbieter – Die Anleihen werden im Rahmen des öffentlichen Angebots, des Umtauschangebots und der Mehrerwerbsoption öffentlich von der Emittentin angeboten.

Warum wird der Prospekt erstellt?

Gründe für das Angebot – Der Prospekt wurde für das öffentliche Angebot, das Umtauschangebot und die Mehrerwerbsoption erstellt.

Verwendung und geschätzte Höhe des Nettoerlöses – Unter der Annahme, dass alle Anleihen verkauft werden und bei einer Annahmequote des Umtauschangebots von 50 %, würde sich der Nettoerlös der Emittentin aus dem Angebot auf etwa EUR 23.442.500 belaufen. Die Emittentin beabsichtigt, den Nettoerlös für ihre allgemeinen Geschäftszwecke zu verwenden, einschließlich der Refinanzierung ihrer ausstehenden 2019/2024 Anleihe, soweit diese nicht in die hiermit angebotene Anleihe umgetauscht wird.

Mandatsvereinbarung – Die Emittentin und der Manager haben am 14. Mai 2023 eine Mandatsvereinbarung abgeschlossen, durch die sich der Manager unter bestimmten Bedingungen bereit erklärt hat, die Schuldverschreibungen im Rahmen der Privatplatzierung anzubieten und die Einbeziehung der Schuldverschreibungen in den Handel (i) im Freiverkehr der Frankfurter Wertpapierbörse zu beantragen und die Emittentin dabei zu unterstützen die Einbeziehung der Schuldverschreibungen in den Handel im Nordic ABM zu beantragen.

Interessenkonflikte – Die Vergütung für die Dienstleistungen des Managers im Zusammenhang mit dem Angebot hängt von verschiedenen Faktoren ab, insbesondere von der Höhe des erzielten Bruttoemissionserlöses. Dies kann zu Interessenkonflikten führen, soweit das Interesse des Managers an einer Maximierung der Vergütung mit gesetzlichen oder vertraglichen Verpflichtungen zur Offenlegung von Risiken des Angebots und/oder der Anleihe zum Schutz der Emittentin und/oder potentieller Anleger kollidieren kann.

RISK FACTORS

Investments in the Bonds involve inherent risks. The following is a disclosure of material risks which are specific to Hörmann Industries GmbH ("**Issuer**") and its subsidiaries (together with the Issuer, the "**Hörmann Industries Group**" or "**Group**"), and the Group's operations, regulatory and financial risks and risks that are material to the Bonds in order to assess the risk associated with the Bonds and that may affect the Issuer's ability to fulfill its obligations under the terms and conditions for the Bonds ("**Bond Terms**") as well as the market price and value of the Bonds. Prospective investors should consider these risk factors before deciding to purchase Bonds.

Prospective investors should consider all information provided in this Prospectus and consult with their own professional advisers if they consider it necessary. In addition, investors should be aware that the risks described may combine and thus intensify one another. The occurrence of one or more risks may have a material adverse effect on Hörmann Industries Group's business, financial position, profit, and cash flows.

The risk factors are presented in a limited number of categories, where each risk factor is placed in the most appropriate category based on the nature of the risk it represents. The most material risk factor in a category is presented first under that category, where the materiality has been determined based on the probability of occurrence and expected magnitude of negative impact of the risk. Subsequent risk factors in the same category are not ranked in order of the likelihood of their occurrence or the magnitude of their potential impact.

Risks related to the Issuer and Hörmann Industries Group

- 1. Risks related to the Issuer's Business Activities and Industry**
- 2. Operational Risks related to the Issuer's Business**
- 3. Risks related to the Issuer's Financial Situation**
- 4. Legal, Regulatory and Compliance Risks**

Risks related to the Bonds

- 5. Risks related to the nature of the Bonds**
- 6. Risks related to the Bond Terms**
- 7. Risks related to the Exchange Offer**

Risks related to the Issuer and Hörmann Industries Group

1. Risks related to the Issuer's Business Activities and Industry

The global economy remains volatile and geopolitical risks might affect the business of Hörmann Industries Group and its result of operations

Demand for the Hörmann Industries Group's products and services is principally driven by the needs of its customers, which in turn depends on the global economic situation.

Initial positive signals emerged within the global economic makeup towards the end of 2022, including a slight easing on the energy markets, a slim decline in inflation and the lifting of COVID-19 pandemic restrictions in China. Nevertheless, the situation is still fragile and economic growth is expected to slow down further in 2023. A renewed crisis scenario such as the COVID-19 pandemic, the debt situation of many industrialised nations, political instability, the current war in Ukraine, an escalation of the Taiwan conflict or a renewed crisis in the financial system could have a significant impact on the business activities of Hörmann Industries GmbH.

Ongoing geopolitical tension, particularly the Russian war of aggression in Ukraine that started in February 2022 and the potential for escalation of the conflict surrounding Taiwan exacerbated the overall geopolitical risk situation. The consequences, in particular the sanctions imposed against Russia, had a negative impact on the German and the global economy. An escalation of the Taiwan conflict and an attack by China on

Taiwan would massively alter the availability of semiconductors all over the world and could tip the global economy into a recession.

The global economy is also impacted by increasingly protectionist tendencies and structural deficits that jeopardise the development of individual advanced economies and emerging markets.

Global economic activity is subject to energy costs which have sharply increased recently. Rising energy prices and disruptions to supply chains have led to higher prices for raw materials and components because supplier production costs have risen accordingly. The ongoing war in Ukraine could also have a negative effect on the development of sales figures, production processes and procurement and logistics, e.g. due to new disruptions of supply chains or the energy supply, or the shortage of raw materials, parts and components, either as a direct consequence of the war or as a result of the extensive sanctions imposed on Russia by various members of the international community. Potential supply chain disruption and shortages of raw materials, parts or components could lead to a further steep rise in energy and commodity prices as well as the prices of parts and components, which could in turn lead to higher costs.

In addition, measures to combat the currently high levels of inflation by further raising interest rates could cause a more pronounced softening of the economy and weaker labour markets.

Further, parts of the business of Hörmann Industries Group depend on political decisions concerning grants for funding public investments in railroad infrastructure, personal security, property protection systems, motorways and other infrastructure measures. The pressure on many European countries to consolidate their public spending and the ensuing delays or cancellations of investment projects might increase subject to the global economic development. In light of the sharp increase in public debt and the consolidation pressure on public budgets in many European nations at present, delayed or cancelled investment projects and public funds could have an adverse effect on public-sector contract awards in railway systems, personal security, property protection systems, motorways and other infrastructure projects.

Any economic downturn, lower than expected growth or an otherwise uncertain economic outlook either globally or in the markets in which the Hörmann Industries Group operates, or any perception thereof by the Hörmann Industries Group's customers, could have a material adverse effect on the Hörmann Industries Group's business, results of operations and financial condition.

The development of Hörmann Industries Group depends considerably on the economic development in the automotive, commercial vehicles, construction, e-commerce, production and railway industry

The Automotive division of Hörmann Industries Group generates most of its sales from its business with customers from the commercial vehicles industry. This is why the Issuer is especially dependent on the economic development, in particular on the unpredictable economic cycles governing the commercial vehicles market which may lead to a considerable decrease in market volume in economically difficult times. The fact that the development of the automotive sector, especially the commercial vehicles market, is unpredictable by nature puts considerable limitations on the possibilities to plan the business activities of the Automotive division. Similar risks and uncertainties exist in connection with the production industry, the railway industry and the construction industry which are strongly influenced by economic volatility. Order numbers and sales of the Engineering division, Intralogistics division and Communication division would likely decline should the economic situation or outlook worsen. Further, the commercial vehicles industry is under significant pressure due to a broadening range of increasingly strict and at times conflicting environmental laws and regulations around the world, in particular regulations to address climate change and vehicle exhaust emissions and the cost associated with compliance of such laws and regulations.

In the production industry and the railway industry, the significant increases in prices for energy and commodities could lead to price pressure and declining order numbers.

A declining demand from the automotive industry, in particular the commercial vehicles segment, and/or from the construction industry might therefore have material adverse effects on the net assets, financial position and results of operations of Hörmann Industries Group.

The development of Hörmann Industries Group depends on a few major customers

Hörmann Industries Group generates most of its sales from transactions with a small group of customers, including some large commercial vehicle manufacturers, Deutsche Bahn AG and its suppliers. For example,

more than 20 % of sales in the financial year ended 31 December 2022 were generated with Volkswagen AG and its subsidiaries. The volume of business with these key customers is of great significance for the future development of Hörmann Industries Group.

Failure by the Group to retain these key customers or to offset a significant downturn in sales with them by gaining new customers or expanding business with other customers could have an adverse effect on the net assets, financial position and results of operations of Hörmann Industries Group.

Hörmann Industries Group might be unable to anticipate, react to or benefit from technological changes

Future results of Hörmann Industries Group will also depend on the extent to which the Group will be able to anticipate technological changes and/or react to such changes by enhancing its products and adapting them to new market realities, or by developing new products. The success of the products developed to date by Hörmann Industries Group might be negatively affected by technological changes, in particular by trends like weight reduction, standardisation and use of platform strategies in the commercial vehicles industry or the conversion of communication networks to 5G technology in the communication industry.

If Hörmann Industries Group fails to respond adequately to technological changes, this could have an adverse effect on the net assets, financial position and results of operations of Hörmann Industries Group.

Hörmann Industries Group in general and its Automotive, Intralogistics and Communication divisions in particular are exposed to strong competition and also pricing pressure

The development of Hörmann Industries Group's business will largely depend on whether and how the Group will be able to maintain or expand its market position and, where applicable, its leadership in technology, and to respond to the market entry of new competitors or increased competition.

In Hörmann Industries Group's fields of business, in particular in the Automotive division, the Intralogistics division and the Communication division, there are many existing competitors and new market entrants attempting to expand their business by enticing customers away from Hörmann Industries Group.

Market entry of new competitors may increase pricing pressure resulting in Hörmann Industries Group failing to win new or follow-up contracts. Continuing or increasing pricing pressure or any detriment to or even loss of the Group's competitive position might materially and adversely affect the net assets, financial position and results of operations of Hörmann Industries Group.

2. Operational Risks related to the Issuer's Business

Hörmann Industries Group depends on the development of commodity and energy prices

A rise in prices for commodities and energy could lead to higher production costs, in particular in the Automotive division, the Communication division and the Intralogistics division, and thus to lower income of Hörmann Industries Group. The ongoing shortages on the commodity markets since the end of 2020 caused substantial price increases, especially for steel products and electronics components. Currently, it is not possible to assess the extent to which the situation on the procurement market will ease sustainably in the short to medium term. The war in Ukraine can entail the risk of a further exacerbation of supply shortages accompanied by economic stagnation at any time. If the price of energy increases and the Group is not able to at least partially pass such increases on to customers or otherwise mitigate costs, the Group may face higher production costs that could in turn negatively affect its profitability. The intense competition might be an impediment to passing on higher prices to the customers. This might adversely affect the net assets, financial position and results of operations of Hörmann Industries Group.

Hörmann Industries Group's dependence on third-party suppliers poses a risk in the case of procurement difficulties and inadequate demand and capacity planning

Hörmann Industries Group's production depends on the supply of parts, products and services of high quality. Should any prefabricated parts or raw materials be defective, delay or loss of production might result. Despite the controls of products and raw materials carried out upon receipt of deliveries and despite ongoing monitoring of the quality of prefabricated parts or raw materials by means of Hörmann Industries Group's integrated quality management system, it cannot be ruled out entirely that cases of non-compliance with quality standards occur. Missing or defective finished parts or low-quality raw materials could lead to production delays or stoppages. The steel market experienced a substantial surplus in demand from the end

of 2020, which made it considerably more difficult to purchase raw materials on time for the Automotive division. Since the middle of 2021, this has been exacerbated by massive supply shortages for electronic components and microchips. In addition to representing a considerable potential risk for the Communication division and the Intralogistics division, this also affected the Automotive division in the form of production stoppages on the part of vehicle manufacturers. The continuing price increases for materials, energy, purchased services and capital goods since the start of 2022 in particular exacerbated the risk situation within the Group as these increases cannot be fully passed on to customers. Longer delivery times and supply shortages for materials are another risk. To ensure compliance with the deadlines set out in long-term contracts with customers, binding orders had to be placed for the type and quantity of the respective materials in some cases, which greatly increased inventory levels. Switching to alternative materials is typically not possible at short notice, as conversion often requires costly new authorisations to be obtained from customers.

Despite the absence of monopolies on the procurement market, Hörmann Industries Group cannot guarantee that a necessary change of suppliers can be effected in good time or at all. Further to that, some of the components required by Hörmann Industries Group for manufacturing its products can only be procured from a limited number of suppliers. Some components are produced specifically for the Group companies. Should such components be no longer available from a specific supplier, there is a risk that the Group might be unable to source such components from another supplier in good time. Consequently, even if a new supplier were found immediately when needed, this does not necessarily mean that delays in the production and delivery of the relevant products can be avoided.

Deliveries may also be delayed for other reasons, making it impossible for suppliers to deliver prefabricated parts or raw materials as required. The results of operations may also be negatively affected by unplanned increases in prices.

Fluctuations in the production activities of Hörmann Industries Group companies might also entail prolonged response times of its suppliers, especially where supply chains comprising several suppliers are involved. This may then cause delays in the production processes of Hörmann Industries Group companies. There is also a risk that Hörmann Industries Group's demand and capacity planning might not be sufficiently far-sighted and flexible. Particularly, the COVID-19 pandemic as well as the anticipated recovery following the COVID-19 pandemic have strained and may continue to strain the global supply chain. Due to the limited pool of suppliers for certain products and raw materials, price increases and bottlenecks in the supply of these products and raw materials have occurred and may continue to occur. Further, development of new products and changes in technologies may require sourcing of different products and raw materials and development of new supply chains which may prove difficult or more expensive than expected.

Each of these aspects could have negative effects on sales and on the net assets, financial position and results of operations of Hörmann Industries Group.

Hörmann Industries Group is subject to project organisation and project management risks

Hörmann Industries Group is active in the project business. This applies in particular to the business of the Communications division, the Engineering division and the Intralogistics division. Even when a contract is being awarded, there is already a possibility that the parties act on different assumptions which may jeopardise the implementation of the project. Given that remuneration is only payable when certain milestones are reached, the Group may not be adequately remunerated for any advance performance rendered and/or expenses or costs already paid may be lost in the event that a project is discontinued. Apart from that, the risk assessment made for any specific project might be erroneous or incomplete and result in the agreed remuneration being insufficient to adequately compensate for the expenses incurred. This might adversely affect the net assets, financial position and results of operations of Hörmann Industries Group.

Hörmann Industries Group's business might be adversely affected if the Group fails to hire and/or retain qualified staff

Hörmann Industries Group depends on qualified staff. The entire Hörmann Industries Group is exposed to the risk that key personnel - such as specialists and high performers - may leave the Group. It is extremely important to Hörmann Industries Group to have well-trained staff and a stable number of apprentices. Availability of well-qualified staff will continue to be a factor for Hörmann Industries Group's future economic success. Should it become impossible in the future to hire and retain sufficient numbers of qualified staff at competitive salaries, the ability of the Group entities to successfully implement and adjust

the business models pursued by the business divisions. This might have material adverse effects on the net assets, financial position and results of operations of Hörmann Industries Group.

Hörmann Industries Group depends on sector-specific licences and certifications

The business success of Hörmann Industries Group also depends on its ability to obtain permits and certifications for specific industries and its compliance with the prevailing standards and technical guidelines that govern the launch of new products and technologies. Failure by Hörmann Industries Group to develop products complying with the relevant rules and standards and/or failure to obtain any necessary licences might have a negative impact on the business activities of Hörmann Industries Group. This, in turn, might materially and adversely affect the net assets, financial position and results of operations of Hörmann Industries Group.

Hörmann Industries Group depends on international markets

Hörmann Industries Group's business focus is on Germany and other European countries. However, the Group's main customers are reliant on their sales in markets in and outside of Europe. In the Communication division and the Intralogistics division in particular, business activities in non-European countries are also being increasingly internationalised. As a result, Hörmann Industries Group is also exposed to certain risks, including, without limitation, uncertainties due to different economic and tax environments in the different countries, exchange rate risks, the need to comply with the respective local technical standards, country-specific legal systems and political instability. Any materialisation of such risks might adversely affect the net assets, financial position and results of operations of Hörmann Industries Group.

Hörmann Industries Group is subject to currency risks

While, with some exceptions, Hörmann Industries Group's sales are mostly generated in euro, it purchases parts, components and raw materials also in foreign currencies. This involves considerable exchange rate risks which may affect sales, purchase prices, valuation of claims, currency reserves and liabilities of Hörmann Industries Group and consequently the Company's result. The US dollar and euro exchange rates were subject to strong fluctuations in the past. Accordingly, it cannot be guaranteed they will not be subject to similar fluctuations in the future. The fluctuations and excessive national debt in some states of the Eurozone and in the United States which involve unforeseeable risks to the future development of the euro and the US dollar/euro exchange rate are additional factors which might have an adverse effect on the net assets, financial position and results of operations of Hörmann Industries Group.

Hörmann Industries Group is subject to Information Technology ("IT") Risks

The Group's business can only be performed with the help of complex IT systems requiring constant availability of corresponding systems and data. Serious disruptions such as system outages, external network attacks and data loss or manipulation could jeopardise the Group's ability to deliver and perform contracts in a timely manner or at all and give rise to claims for damages from customers and high internal downtime costs. Cybercrime and cyberattacks, such as a cyberattack and the corresponding data loss due to a security issue in the data transfer programme MOVEit Transfer used by the Group end of May 2023, are rising and becoming increasingly elaborate.

Accordingly, the Group is constantly working to optimise its IT environment and IT security, including with the support of external experts causing expenditure and resources for IT security management to increase significantly. In addition, the loss or misuse of sensitive data may lead to a loss of reputation. However, there can be no assurance that IT security will not be breached causing loss of data and access to critical system infrastructure.

The materialisation of any of the above risks might adversely affect the net assets, financial position and results of operations of Hörmann Industries Group.

Hörmann Industries Group depends on logistics companies

Hörmann Industries Group employs external logistics companies for shipments between its production and storage sites, deliveries to its production sites and occasionally also for deliveries to its customers. There can be no guarantee that deliveries to customers or between different sites of Hörmann Industries Group can be continued without interruptions or delays in the event of strikes, adverse traffic conditions or technical defects. Any materialisation of these risks might lead to production downtime, delays or

bottlenecks in delivery of products and/or increasing production costs. Customer relations and the reputation of Hörmann Industries Group might suffer as a result.

Also, it cannot be ruled out that some logistics companies may terminate existing contracts or only accept to extend them on less favourable terms and that Hörmann Industries Group may not, or not immediately be able to enter into another contract on the same or similar terms with another logistics company.

Any of the above risks could have a material adverse effect on the business and the net assets, financial position and results of operations of Hörmann Industries Group.

Labour and collective bargaining conflicts at Hörmann Industries Group, suppliers or external forwarding companies, but also at major customers receiving supplies from Hörmann Industries Group, could adversely affect the business activity of Hörmann Industries Group

There may be work stoppages due to measures taken in the context of collective bargaining disputes (labour dispute) or other labour law conflicts involving Hörmann Industries Group or any of its suppliers, external forwarding companies or customers, especially key customers. As a result, the production or sales of Hörmann Industries Group could be adversely affected, e.g. because the components and raw materials required by Hörmann Industries Group for the manufacturing of its products would no longer be supplied, meaning that Hörmann Industries Group could no longer manufacture and supply its products. In the worst case, this could mean that customers of Hörmann Industries Group would have to stop production and would suffer considerable losses. However, labour and collective bargaining conflicts or work stoppages may also occur at the customers of Hörmann Industries Group, which could substantially restrict the sales of products of Hörmann Industries Group. Demographic developments, the shortage of skilled workers and the high additional personnel requirements of Hörmann Industries Group for growth have also put additional pressure on personnel costs. These and other events that might occur at companies with which Hörmann Industries Group has business relationships, but also at Hörmann Industries Group's own entities, can lead to declines in sales which can have a considerable adverse effect on the net assets, financial position and results of operations of Hörmann Industries Group.

3. Risks related to the Issuer's Financial Situation

The Issuer is subject to risks related to its role as a holding company and from the absence of profit and loss transfer agreements

The Issuer is a holding company with no business operations of its own. This means that the Issuer's results and its capacity to make payments on the Bonds when due depends on the existing profit and loss transfer agreements with its subsidiaries Hörmann Automotive GmbH, Hörmann Bauplan GmbH, Hörmann Rawema Engineering & Consulting GmbH, Hörmann Warnsysteme GmbH, Hörmann Services GmbH and VacuTec Meßtechnik GmbH and profit distributions made by other subsidiaries. Operating and other expenses which are to be borne by the Issuer must be covered from these profits. The Issuer's results and the profits generated by it therefore largely depend on the business success and profitability of the subsidiaries. Failure by the Issuer's subsidiaries to generate or disburse profits or sufficient profits and to disburse or allocate them to the Issuer under existing profit and loss transfer agreements might have material adverse effects on the net assets, financial position and results of operations of Hörmann Industries Group.

There is currently no profit and loss transfer agreement between the Issuer and its parent Hörmann Beteiligungsholding GmbH and the Group parent Hörmann Holding GmbH & Co. KG under which Hörmann Beteiligungsholding GmbH or Hörmann Holding GmbH & Co. KG would, in turn, be obliged to compensate losses incurred by the Issuer. In the absence of a profit and loss transfer agreement, any losses incurred by the Issuer would be offset against the Issuer's equity, and if the loss situation were to continue, the Issuer's equity would gradually be used up as a result. This might lead to continuous losses of the Issuer and result in material adverse effects on the net assets, financial position and results of operations of Hörmann Industries Group.

Hörmann Industries Group has considerable pension, leasing and rental obligations which may adversely affect liquidity

As at 31 December 2022, provisions have been made for pension obligations in the total amount of EUR 20.3 million. In addition, rental obligations as well as leasing obligations in the amount of EUR 48.5 million have accrued which must be settled out of the cash flow from the ongoing business. The

obligations from rental and leasing agreements for buildings, facilities, office premises and vehicles are significant and constitute high fixed costs. Such costs cannot be adjusted in the event of a sharp decline in sales and earnings. Hörmann Industries Group may have to recognise liabilities for off-balance sheet obligations, such as from leasing agreements, in the future. This might have adverse effects on the net assets, financial position and results of operations of Hörmann Industries Group.

The amount of the provisions for pension obligations is based on certain actuarial assumptions, e.g. regarding discount factors, life expectancy and expected return on the plan assets under the reinsurance policy. If the actual results differ from these assumptions, particularly with respect to the discount factors, this could lead to a considerable increase of the pension obligations in the balance sheet and thus to higher additions to the pension obligations. The present value of the pension provisions falls when the discount rate increases and increases when the discount rate falls. Should the actual results differ from the assumptions, the profit of Hörmann Industries Group may be reduced. In the event that externally financed pension schemes do not perform as planned or that provisions made are insufficient, Hörmann Industries Group would have to increase its provisions also for pension rights acquired in the past.

This might materially and adversely affect the net assets, financial position and results of operations of Hörmann Industries Group.

Hörmann Industries Group is dependent on the general development of the capital and credit market as a whole and possibly on the development of project-related financing terms

Hörmann Industries Group uses both equity and debt capital for its financing. Therefore, Hörmann Industries Group is dependent on the general development of the capital and credit markets as a whole and possibly on the development of project-related financing terms.

For example, the Issuer and a syndicate of banks have entered into a global syndicated loan agreement with a volume of EUR 40 million maturing in December 2025, consisting of a current account credit line of EUR 15 million and a revolving EURIBOR credit line of EUR 25 million.

Upon the expiry of fixed interest periods, financing credit institutions may have the right to increase interest rates in line with changed market conditions or due to any deterioration in the Group's credit standing. If no fixed-interest period has been agreed, credit institutions may even have the right to increase interest rates at any time due to changes in market conditions or due to a deterioration in creditworthiness of Hörmann Industries Group. In such cases, Hörmann Industries Group may have to pay substantially higher interest than originally planned. Credit institutions might also demand the early repayment of the loans or refuse to renew them after expiry of a fixed rate period. This would mean that loans would have to be repaid either from own funds or by taking out other loans. Such other loans, however, might be difficult to obtain and might only be available to Hörmann Industries Group at highly unfavourable loan terms or subject to other contractual restrictions.

If Hörmann Industries Group does not succeed, against the background of the risks and restrictions described above, to obtain sufficient financing for its business activities at financially appropriate terms, this could lead to liquidity shortages of Hörmann Industries Group. This might have negative effects on the net assets, financial position and results of operations of Hörmann Industries Group.

The Issuer is subject to risks related to inter-company transactions with other Hörmann Group companies

The Issuer depends on services provided by companies of the Hörmann Group, the parent of which is Hörmann Holding GmbH & Co. KG (together with its direct and indirect subsidiaries, including the Issuer, the "**Hörmann Group**"). Certain services, for example information technology and administration services, management services, financing, group insurance, and capacities and capabilities required in the area of development, are made available by Hörmann Holding GmbH & Co. KG and affiliates within the Hörmann Group. For these purposes, the Issuer entered into contracts for services or intragroup cost allocation agreements with Hörmann Holding GmbH & Co. KG and other companies of Hörmann Group. Given that material aspects of the business of the Issuer and its subsidiaries are carried out by Hörmann Holding GmbH & Co. KG and other companies of Hörmann Group, any non-performance or default by Hörmann Holding GmbH & Co. KG and other companies of Hörmann Group would have material adverse effects on the business of the Issuer. Should the above arrangements cease to exist, the Issuer would need to procure equivalent services by entering into contracts with third parties. Given the Issuer's limited resources and

knowhow, the expenses of the Issuer and its subsidiaries would likely increase considerably. This might materially and adversely affect the net assets, financial position and results of operations of Hörmann Industries Group. Furthermore, the Issuer has provided and will provide loans and other types of financing to affiliate companies. If these affiliates do not succeed in repaying such financings, Hörmann Industries Group's net assets, financial position and results of operations may be negatively impacted.

Due to their position under corporate law, the members of the Hörmann family may exert considerable influence on the management of Hörmann Industries Group

Members of the Hörmann family ultimately hold 100 % of the participations in the Issuer's parent company Hörmann Holding GmbH & Co. KG which gives them the option to exercise control over Hörmann Group and ultimately, Hörmann Industries Group. Being companies of Hörmann Group, Hörmann Industries Group and its subsidiaries are also subject to influence from members of the Hörmann family. By exercising shareholders' rights (e.g. by issuing instructions) the members of the Hörmann family may exert considerable influence on all material decisions of Hörmann Industries Group, including the Group's corporate strategy. In particular, the members of the Hörmann family have, albeit indirectly, a decisive influence on the appointment of managing directors of Hörmann Industries Group and managers of all subsidiaries of Hörmann Industries Group. By influencing the composition of the relevant governing bodies, they may also exert a decisive influence on the strategic orientation of Hörmann Industries Group.

The key position of the members of the Hörmann family may result in conflicts of interest in cases where personal interest of family members may be in conflict with or opposed to interests of Hörmann Industries Group or of any bondholders.

These aspects might adversely affect the net assets, financial position and results of operations of Hörmann Industries Group.

Hörmann Industries Group might be exposed to claims for repayment of subsidies, additional tax payments as a result of tax audits and claims for payment of additional social security contributions

Hörmann Industries Group has been and continues to be granted or promised public government investment subsidies for individual development projects and business measures. The use of such funds is typically earmarked for a specific purpose and tied to corresponding requirements and conditions. If Hörmann Industries Group is unable to ensure and demonstrate that these requirements and conditions have been met, it could have to repay the respective investment subsidies.

The Issuer is of the opinion that all tax returns filed for Hörmann Industries Group were complete and accurate. Should the tax authorities take a different view of the facts, taxes might be reassessed and additional tax payments claimed from the Group as a result. Obligations for Hörmann Industries Group to make additional tax payments may arise for all assessment periods which have not yet been subject to a tax audit. The same may apply to additional payments of social security contributions, if any. This would have negative effects on sales and on the net assets, financial position and results of operations of Hörmann Industries Group.

A full or partial default in receivables vis-à-vis customers and other business partners, or substantial delays in payments, might result in liquidity shortages and thus hamper the business activities of Hörmann Industries Group

In some cases, Hörmann Industries Group is required to extend supplier credit to its customers for reasons of competition. There is a risk that business partners and customers fail to comply with their payment obligations from justified receivables of Hörmann Industries Group or comply with their obligations only in part and/or with significant delay. To limit risks from its receivables from customers, Hörmann Industries Group generally endeavours to invoice its services in a timely manner and takes a cautious approach to the granting of payment targets. However, unexpected and/or unexpectedly high debt defaults cannot be ruled out; this risk exists in particular in the event that business partners and customers of Hörmann Industries Group themselves get into financial difficulties.

The materialisation of debt default risks might materially and adversely affect the net assets, financial position and results of operations of Hörmann Industries Group.

Any partial or extensive destruction of business premises or any long-term outage of production machinery may lead to long-term production downtime and losses in sales

Hörmann Industries Group operates production sites mainly in Germany, Austria and in Slovakia. Any extensive destruction of one or more of the business premises e.g. due to fire, explosions, sabotage or other accidents would, in the worst case, be associated with permanent production downtime.

In particular, the machines used by Hörmann Industries Group constitute an increased fire risk because various flammable substances such as drawing, hydraulic and lubricating oils are required for their operation. The Group is taking safety measures to prevent or minimise such risks.

Hörmann Industries Group operates several large and complex facilities requiring careful maintenance. Although the Group is carrying out such maintenance on a regular basis, it cannot be ruled out that machinery or plant breakdown incidents caused by age, mechanical stress, accidents or otherwise lead to production delays. The replacement times of specific systems and machines (e.g. large presses or profiling systems) as well as customer-specific tools sometimes amount to several years.

In addition, any plant or machine breakdown could result in indirect consequential damage, e.g. the loss of customers as well as loss of image and reputation or liquidated damages and penalties. In the Automotive division, the Group is partly a single-source supplier for system-relevant components meaning that any failure or delayed supply of system-relevant components may lead to particularly high damage claims from customers.

Should one or more of the above risks materialise, this might adversely affect the net assets, financial position and results of operations of Hörmann Industries Group.

4. Legal, Regulatory and Compliance Risks

Hörmann Industries Group might be exposed to warranty claims, claims for damages or other liability claims

The Group's products or systems could be defective which would give rise to warranty claims or claims for damages against Hörmann Industries Group. The Group may also be exposed to liability risks under supply agreements with customers, contractual risks from delayed commencement of production and production process risks. Similar liability risks also exist for services and deliveries in the project business of the Communication division, the Engineering division and the Intralogistics division. Should Hörmann Industries Group and its affiliated companies fail to ensure that deliveries owed by them are made on time and in line with the requirements set out by its customers, and should the customer's production be jeopardised as a consequence, Hörmann Industries Group might be exposed to risks such as cost increases, third-party rights of recourse and/or loss of contracts, all of which might have material adverse effects on the net assets, financial position and results of operations of Hörmann Industries Group.

Hörmann Industries Group may be subject to risks resulting from acquisitions or joint ventures if the expectations regarding income potential, profitability and growth opportunities are not fulfilled as well as risks resulting from divestments in the future

Hörmann Industries Group is exposed to risks relating to acquisitions and divestments. Hörmann Industries Group has made acquisitions and divestments and entered into joint ventures in the past and may continue to acquire and divest companies and enter into joint ventures in the future. It cannot be ruled out that risks associated with an acquisition are misjudged or not identified, that after an acquisition the quality of the management of the acquired company turns out to be lower than anticipated, or that the integration of the acquired company is not successful or does not meet the expectations of Hörmann Industries Group, or that Hörmann Industries Group has misassessed the target's market position, earnings potential, profitability and the growth opportunities or other key factors. Such erroneous assessments could also relate to the feasibility of the strategy underlying the relevant acquisition or joint venture. This would not only substantially jeopardise the achievement of the goals pursued by Hörmann Industries Group with the acquisition or the joint venture, but also the value of the participation as a whole. Divestments bear risks arising from the contractual agreements with the purchasers and that the agreed consideration to be paid to Hörmann Industries Group is too low in the view of the market. Should Hörmann Industries Group decide to divest any subsidiary, division or any other assets, it may encounter difficulty in finding or completing such divestiture opportunity in a timely manner or at an attractive consideration.

This may substantially and adversely affect the net assets, financial position and results of operations of Hörmann Industries Group as a whole.

Possible compliance violations may give rise to future investigations by public authorities, claims for additional tax payments, claims for damages and termination by customers of supply relationships

The Hörmann Industries Group's operations must comply with a broad range of increasingly complex regulatory requirements in the jurisdictions in which it operates. Hörmann Industries Group comprises many individual companies, each of which tenders for large-volume contracts in the automotive, service and/or construction industry. This involves a risk that, in order to gain an advantage over competitors when tendering for contracts or initiating orders, applicable legal provisions are not fully complied with. This may result in penalties or fines, court orders affecting future activities, disgorgement of profits or other benefits, exclusion from tenders, loss of licences or other restrictions. This could materially and negatively affect the net assets, financial position and results of operations of Hörmann Industries Group in their entirety.

As a company regularly participating in public-law award procedures and tenders, Hörmann Industries Group could become the subject of investigation proceedings. If an antitrust authority arrives at the conclusion that Hörmann Industries Group is involved in infringements of competition law, fines could be imposed on the Issuer.

Due to its international business activity, Hörmann Industries Group is subject to a multitude of legal provisions in various countries in which it operates. Some of these countries may be subject to economic sanctions or restrictions, meaning that certain requirements exist regarding the export of goods, software and technologies. The same applies to existing trade restrictions, which means that there is a risk of being subject to, *inter alia*, tariff restrictions, special customs practices and politically motivated restrictions. Despite Hörmann Industries Group's awareness of the aforementioned restrictions as well as surveillance measures and the existence of various compliance programmes, it cannot be ruled out that existing restrictions may be violated, for example due to differing perceptions of facts, and that penalties are imposed on Hörmann Industries Group. Moreover, the imposition or change of economic sanctions or restrictions might result in Hörmann Industries Group being forced to reduce or discontinue its business dealings with such countries. If these risks materialise, this might have negative impact on sales and net assets, financial position and results of operations of Hörmann Industries Group.

Hörmann Industries Group is subject to litigation risks

Entities of Hörmann Industries Group are involved in various disputes in and out of court. In particular, in criminal proceedings under Algerian law concerning corruption and the unlawful hiking of prices against the working group "*Groupement Funkwerk Contel plettac*", in which Funkwerk video systeme GmbH ("**FVS**"), an indirect subsidiary of the Issuer, is involved since 2010, a verdict was given on 2 February 2016 which ordered the defendants, including FVS, to make a payment of approximately EUR 40,000. The verdict has not become final as of the date of this Prospectus, because the defendants have filed an appeal. The outcome of these and other proceedings is uncertain and there is a risk that the claimants may fully or partly win their cases. If such rulings become final, this may lead to further claims being filed by third parties. Efforts have been made to make provisions in a sufficient amount to cover such risk. However, it cannot be ruled out that these provisions prove to be insufficient.

In connection with the projects realised, Funkwerk AG provided bank guarantees issued by Algerian banks on the basis of corresponding counter-guarantee agreements with some German banks. All the bank guarantees from German banks were derecognised as at the balance sheet date. The principal has yet to return original guarantees of around EUR 8.4 million of the issued bank guarantees. Under the terms of the contracts with the principal, it should no longer be possible to assert claims against FVS/Funkwerk plettac Systems GmbH due to the latter having met the underlying delivery and performance obligations, the expiry of the contractual warranties and the expiry of the bank guarantees, which is why the guarantees have also already been derecognised by the German banks. However, there is a residual risk with regard to the original bank guarantees that have not yet been returned, as the German banks provided the Algerian banks with "true" counter-guarantees. The state of proceedings did not change significantly compared to 2021 in the past financial year.

This might have adverse effects on the net assets, financial position and results of operations of Hörmann Industries Group.

Hörmann Industries Group might violate existing environmental provisions and/or its production activities might harm the environment

The business activity of Hörmann Industries Group is subject to a number of legal provisions *inter alia*, emissions in the air, wastewater, noise thresholds to be complied with, the use, handling and removal of hazardous substances, the protection of plants, animals, soil and ground water as well as human health and safety. In particular, the Issuer is subject to the continuous tightening of the environmental provisions in most of the jurisdictions in which it operates which in certain cases require the Issuer to obtain approvals or licences and submit forms in order to be able to exercise its business activity. A violation of such provisions may, in particular, result in liability consequences, such as administrative fines, penalties and financial losses, reputational damage, third-party liability and further restrictions in exercising the business activity, including even the closure of production sites. The adjustment of internal processes and policies to comply with new provisions is associated with high costs, having negative effects on the net assets, financial position and results of operations of Hörmann Industries Group.

There is a risk at various production sites of Hörmann Industries Group that contaminants might be introduced into the soil or otherwise harm the environment. As a result, Hörmann Industries Group may incur liability risks and substantial costs due to administrative obligations, conditions or other orders for remediation or removal. These consequences could also occur if properties used or owned by Hörmann Industries Group are polluted. Hörmann Industries Group could be responsible for cleaning up such pollution irrespective of when and by whom it was caused.

Any violation of these provisions may lead to consequences under civil, criminal or public law; moreover, preliminary injunctions may be issued and third parties may initiate legal disputes with the aim of enforcing such legal provisions. Finally, the Group may be legally required to take measures to control and remove contamination or to modify existing machines and facilities.

In addition, major companies are already requiring their suppliers to comply with these additional requirements, e.g. in the form of sustainability ratings and declarations on carbon neutrality, and they are often included as a condition for the award of contracts. If the sustainability requirements imposed on suppliers by major companies are not complied with, this could lead to Hörmann Industries Group entities losing customers and orders in future with a corresponding adverse impact on the results of operations.

This may substantially and adversely affect the net assets, financial position and results of operations of Hörmann Industries Group as a whole.

Competitors might copy the products and procedures of Hörmann Industries Group; Hörmann Industries Group might inadvertently violate patents of competitors

The competitiveness of Hörmann Industries Group also depends on the security of its technological innovations. In order to safeguard security, Hörmann Industries Group endeavours to keep confidential its business secrets and/or acquires patent protection for own inventions and procedures. However, there is still a risk that third parties might try to copy products and procedures of Hörmann Industries Group, in whole or in part, or try to obtain and use business secrets of Hörmann Industries Group. Competitors may also succeed in developing or designing products or technologies that are similar to the products of Hörmann Industries Group. This might have negative effects on the net assets, financial position and results of operations of Hörmann Industries Group.

Moreover, it cannot be ruled out that Hörmann Industries Group may inadvertently infringe patents of competitors, which may, in particular, also result from a different understanding of the content of the intellectual property protected by a patent. In the event that a patent court takes a different view than Hörmann Industries Group regarding the worthiness of protection of the subject matter of a patent and thus determines a patent infringement, it cannot be ruled out that individual subsidiaries and/or holding companies of Hörmann Industries Group may be obliged to make recourse payments that may be economically unfavourable or exceed the economic benefit received by Hörmann Industries Group. Moreover, there is a risk that claims to forbearance are filed and that individual subsidiaries or affiliates lose business because of this, which might have substantial negative effects on the net assets, financial position and results of operations of Hörmann Industries Group as a whole.

Hörmann Industries Group is subject to prevailing tax laws in every jurisdiction in which it operates and there can be no assurance that its understanding of applicable tax laws is correct, and any misapprehension of such may adversely affect its profitability

Hörmann Industries Group conducts its operations through companies in a number of countries in Europe, and will be subject to changes in tax laws, treaties or regulations or the interpretation or enforcement thereof in various jurisdictions, possibly with retrospective effect. Hörmann Industries Group's overall tax charge is dependent on where profits are accumulated and taxed, whereas different countries have different tax systems and tax rates. Different jurisdictions have different legal systems with different laws for tax residency, tax credits and tax exemption rules. Tax and VAT laws and regulations are highly complex and subject to interpretation. Hörmann Industries Group's income tax expense will be based upon its interpretation of the tax laws in effect in various countries at the time that the expense will be incurred. If applicable laws, treaties or regulations change or other tax authorities do not agree with Hörmann Industries Group's assessment of the effects of such laws, treaties and regulations, this could have a material adverse effect on its business, results of operation and financial condition. This applies also to such jurisdictions into which Hörmann Industries Group may expand operations and establish entities in the future.

Risks related to the Bonds

5. Risks related to the nature of the Bonds

The Bonds are unsecured and will be effectively subordinated to any secured debt of the Issuer

The Bonds are unsecured and the holders of the Bonds (together, "**Bondholders**", and each a "**Bondholder**") do not benefit from any security in the event that the Issuer is unable to meet its obligations under the Bonds. Under the Bond Terms, the Issuer is permitted to incur and maintain liabilities ranking *pari passu* with the Bonds. In addition, the Issuer is entitled, under certain conditions, to provide security over its assets in favour of third parties. As a result, the indebtedness represented by the Bonds will be effectively subordinated to any existing and future secured indebtedness that the Issuer may incur. Accordingly, in the event of a bankruptcy, insolvency, liquidation, dissolution, reorganization or similar proceeding affecting the Issuer, the Bondholders' rights to receive payment will be effectively subordinated to those of secured creditors up to the value of the collateral securing such indebtedness.

Pursuant to the Bond Terms the Issuer is permitted to incur and maintain certain liabilities ranking *pari passu* with the Bonds, including, inter alia, revolving credit facilities of up to EUR 40,000,000. The Bonds may also be or become subordinated to any financial indebtedness incurred by the Issuer due to such other financial indebtedness falling due for payment (in whole or in part) prior to the Bonds.

Other creditors may have conflicting interests with Bondholders in the event of default and enforcement, including an incentive to initiate enforcement of their claims, which may be detrimental to the value of the Bonds. In the event of insolvency, therefore, there may be no or virtually no funds available for distribution in the insolvency estate and the bondholders may receive no or only small payments on their claims.

The Bonds are structurally subordinated to liabilities of the Issuer's subsidiaries

Although the Bond Terms will contain certain restrictions on the Issuer's and its subsidiaries ability to incur additional financial indebtedness, there will be exceptions and carve-outs to such restrictions. Generally, claims of creditors of an Issuer's subsidiary, including trade creditors, secured creditors, and creditors holding indebtedness and guarantees issued by such subsidiary, will have priority with respect to the assets and earnings of the subsidiary over the claims of creditors of the Issuer. Accordingly, absent a guarantee from the relevant subsidiary, the Bonds will be structurally subordinated to all creditors, including trade creditors, of the Issuer's subsidiary.

The creditors under such financial indebtedness of the Issuer's subsidiaries will, for instance in an enforcement situation, be entitled to seek full payment of their claims from the assets of such Issuer's subsidiaries before any such remaining assets are made available for distribution to the Issuer (as a direct

or indirect shareholder of such subsidiaries) and before the Bondholders will be entitled to seek payment of their claims from such assets once they have been distributed to the Issuer.

Risk of being unable to repay the Bonds

Bondholders depend on the Issuer's ability to meet its payment obligations to receive payments under the Bonds, which in turn is largely dependent upon the performance of the Hörmann Industries Group operations and the Issuer's financial position. If the Group is unable to service its indebtedness, it will be forced to adopt an alternative strategy that may include actions such as reducing or delaying capital expenditures, selling assets, restructuring or refinancing indebtedness or seeking equity capital. The Group cannot assure investors that any of these alternative strategies could be effectuated on satisfactory terms, if at all, or that they would yield sufficient funds to make required payments on the Bonds and our other indebtedness.

Bondholders are exposed to liquidity risks. Furthermore, there is presently no active trading market for the Bonds

There is currently no secondary market for the Bonds. Application is intended to be made by Pareto Securities AS (the "**Manager**") for inclusion of the Bonds to trading within 10 days after the issue date on the Open Market (*Freiverkehr*) of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*), and by the Issuer for inclusion of the Bonds to trading within six months after the issue date of the Bonds on the Nordic ABM, a self-regulated marketplace organised and operated by the Oslo Stock Exchange (*Oslo Børs*) ("**Nordic ABM**"). Neither is a regulated market within the meaning of Directive 2014/65/EU of the European Parliament and of the Council of May 15, 2014 on markets in financial instruments and amending Directives 2002/92/EC and 2011/61/EU. Although the Bonds will be tradable on the market, active trading in the Bonds might not always occur. For example, if the Issuer fails to comply with the various obligations and standards of conduct resulting from the inclusion to trading, this may lead to the exclusion of the Bonds from trading. As a result, Bondholders may find it difficult or impossible to trade their Bonds when desired or at a price level which allows for a profit comparable to similar investments with an active and functioning secondary market.

The market price of the Bonds could also be subject to significant fluctuations in response to actual or anticipated variations in the Group's operating results and those of its competitors, as well as other factors beyond the Issuer's control. The latter could take place, for example, through the upcoming increase in key interest rates by the central banks to counter the already ongoing inflation. In addition, the global financial markets have experienced significant price and volume fluctuations in the past. Should this be repeated in the future, there is a risk that it will adversely affect the market price of the Bonds.

There are restrictions on the transferability of the Bonds

The Bonds have not been and will not be registered under the U.S. Securities Act of 1933, as amended, or any U.S. state securities laws. Furthermore, the Issuer does not intend to register the Bonds under any other country's securities laws. This limits the Bondholders' ability to offer or sell the Bonds in certain jurisdictions. It is each potential investor's obligation to ensure that the offers and sales of Bonds comply with all applicable securities laws. Due to these restrictions, there is a risk that a Bondholder will not be able to sell its Bonds as desired. Restrictions relating to the transferability of the Bonds could have a negative effect for some of the Bondholders.

Credit ratings may not reflect all risks of an investment in the Bonds

Scope Ratings GmbH ("**Scope**") assigned a BB (Outlook: stable) corporate rating to the Issuer and a BB rating in relation to the Issuer's senior unsecured debt. One or more independent credit rating agencies may assign credit ratings to the Bonds. The ratings may not reflect the potential impact of all risks related to the structure, market, additional risk factors discussed herein, and other factors that may affect the value of the Bonds. A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the rating agency at any time.

6. Risks related to the Bond Terms

The Issuer may not be able to make required repurchases of Bonds

The Bond Terms provide for certain redemption and repurchase mechanics in respect of the Bonds which entail redemption or repurchase with a premium, either voluntarily or mandatorily. For instance, the Bonds will be subject to a mandatory repurchase at the option of the Bondholders (put option) upon the occurrence of a change of control-event (as described in the Bond Terms) whereby each Bondholder shall have the right to require that the Issuer repurchases such Bondholder's Bonds at a price equal to 101.00 per cent. of the nominal amount of the repurchased Bonds (plus accrued and unpaid interest on the repurchased Bonds). There is, however, a risk that the Issuer will not have sufficient funds at the time of such event to make the required repurchase of the Bonds which could adversely affect the Issuer, e.g., by causing insolvency or an event of default under the Bond Terms, and thus adversely affect all Bondholders and not only those that choose to exercise the put option.

The Bonds may be redeemed early at the option of the Issuer

Under the Bond Terms, the Issuer has reserved the possibility to redeem all outstanding Bonds before the final redemption date, with the First Call Date being the Interest Payment Date falling 30 months after the Issue Date. If the Bonds are redeemed before the final redemption date, the Bondholders have the right to receive an early redemption amount which exceeds the nominal amount in accordance with the Bond Terms. However, there is a risk that the market value of the Bonds will be higher than the early redemption amount and that it may not be possible for Bondholders to reinvest such proceeds at an effective interest rate as high as the interest rate on the Bonds and that they may only be able to do so at a significantly lower rate.

There is no action against the Issuer and Bondholders' representation

In accordance with the Bond Terms, the Bond Trustee will represent all Bondholders in all matters relating to the Bonds and the Bondholders are prevented from taking actions on their own against the Issuer. Consequently, individual Bondholders do not have the right to take legal actions to declare any default by claiming any payment from the Issuer and may therefore lack effective remedies unless and until a requisite majority of the Bondholders agree to take such action. However, there is a risk that an individual Bondholder, in certain situations, could bring its own action against the Issuer (in breach of the Bond Terms), which could negatively impact an acceleration of the Bonds or other action against the Issuer.

To enable the Bond Trustee to represent Bondholders in court, the Bondholders and/or their nominees may have to submit a written power of attorney for legal proceedings. The failure of all Bondholders to submit such a power of attorney could negatively affect the legal proceedings. Under the Bond Terms, the Bond Trustee will in some cases have the right to make decisions and take measures that bind all Bondholders. Consequently, there is a risk that the actions of the Bond Trustee in such matters will impact a bondholder's rights under the Bond Terms in a manner that is undesirable for some of the Bondholders.

Bondholders may be overruled by majority votes taken in Bondholders' meetings

The Bond Terms include certain provisions regarding Bondholders' meetings and written procedures. Such meetings and procedures may be held in order to resolve matters relating to the Bondholders' interests. The Bond Terms allow for stated majorities (such as bondholders representing 2/3 of the bonds participating in any decision, subject to customary quorum requirements) to bind all Bondholders, including Bondholders who have not taken part in the meeting or procedure and those who have voted differently to the required majority at a duly convened and conducted Bondholders' meeting or written procedure. Consequently, there is a risk that the actions of the majority in such matters will impact a Bondholder's rights in a manner that is undesirable for some of the Bondholders.

7. Risks related to the Exchange Offer

Bondholders of the Issuer's 2019/2024 Bonds accepting the Exchange Offer will acquire the Bonds which will become due for redemption only after the 2019/2024 Bonds

The Bonds will be specifically but not exclusively offered to the bondholders ("**Exchange Offer**") of the senior unsecured bonds initially issued by the Issuer on 6 June 2019 (ISIN: NO0010851728, WKN: A2TSCB) ("**2019/2024 Bonds**"). On 6 June 2024, the 2019/2024 Bonds will mature before the

Bonds. The 2019/2024 Bonds will mature in the volume in which the respective Bondholders have not exchanged them and to the extent that they are not otherwise repaid from the proceeds from the Bonds. However, if the bondholders of the 2019/2024 Bonds participate in the Exchange Offer, they will acquire the Bonds, which will mature in 2028 and thus well after the 2019/2024 Bonds. To a certain extent, this increases the risk profile for the bondholders participating in the Exchange Offer as they will be exposed to the risk that the Issuer might fail to redeem the Bonds and to pay the interest for a longer period of time.

THE OFFER AND THE EXCHANGE OFFER

Overview

The Issuer offers up to 50,000 bonds, each having equal rights, with a nominal value of EUR 1,000 each ("**Bonds**"). The total nominal amount and the final interest rate are expected to be determined on 30 June 2023 based on the exchange and subscription orders received under the offer and communicated to investors in a pricing decision which will be published on the website of the Luxembourg Stock Exchange (www.luxse.com) and the Issuer (www.hoermann-gruppe.com).

The offer made in respect of this Prospectus consists of:

- (i) a public offer by the Issuer in Germany and the Grand Duchy of Luxembourg ("**Luxembourg**") via the subscription system DirectPlace of the Frankfurt Stock Exchange (Xetra subscription functionality) and the Luxemburger Wort ("**Public Offer**");
- (ii) a public exchange offer by the Issuer to the holders of the 2019/2024 Bonds to exchange their 2019/2024 Bonds into the Bonds ("**Exchange Offer**"); and
- (iii) an option to purchase where the participants in the Exchange Offer can subscribe for further Bonds ("**Option to Purchase**").

Furthermore, the Bonds will be offered in a private placement to qualified investors as well as to further investors in accordance with applicable exemptions for private placements and with the applicable minimum subscription amount for the Bonds ("**Private Placement**" and, together with the Public Offer, the Exchange Offer and the Option to Purchase to retail investors and qualified investors, "**Offering**") by Pareto Securities AS, Frankfurt Branch with its registered seat in Frankfurt am Main, Germany, and registered with the commercial register (*Handelsregister*) of the local court (*Amtsgericht*) of Frankfurt am Main, Germany, under the registration number HRB 109177, with its business address at Gräferstraße 97, 60487 Frankfurt am Main, Germany (telephone: +49 (0) 69 58997-0; website: <https://paretosec.com/>) (the "**Manager**"). In the context of the Private Placements, the Bonds are offered in Germany and Luxembourg as well as selected other countries, except the United States, Canada, Australia, and Japan in accordance with applicable exemptions for private placements.

Other than that and in the context of the Private Placement, there are no minimum or maximum amounts for subscription offers for the Bonds. Investors participating in the Public Offer, the Exchange Offer and the Option to Purchase can submit subscription offers of any amount starting from the denomination of one Bond (EUR 1,000) or a multiple thereof.

Expected timetable

The following is the expected timetable of the Offering and the inclusion to trading, which remains subject to change:

14 June 2023	Approval of this Prospectus by the CSSF Publication of the approved Prospectus on the Issuer's website (www.hoermann-gruppe.com) under the "Investor Relations" section
16 June 2023	Commencement of the Exchange Period and the Public Offer in Luxembourg Application for inclusion of the Bonds to trading on the Open Market (<i>Freiverkehr</i>) of the Frankfurt Stock Exchange (<i>Frankfurter Wertpapierbörse</i>)
21 June 2023	Commencement of the Offer Period for the Public Offer via the subscription system DirectPlace of the Frankfurt Stock Exchange (Xetra subscription functionality)
28 June 2023	End of the Exchange Period

30 June 2023	End of the Public Offer in Luxembourg and the Offer Period for the Public Offer via the subscription system DirectPlace of the Frankfurt Stock Exchange (Xetra subscription functionality) Announcement of the final results of the Offering on the Issuer's website
11 July 2023	Expected issuance and delivery of the Bonds Expected inclusion of the Bonds to trading on the Open Market (<i>Freiverkehr</i>) of the Frankfurt Stock Exchange (<i>Frankfurter Wertpapierbörse</i>)

Public Offer

Investors can submit subscription offers for the Bonds offered in the Public Offer via the Subscription Functionality of Deutsche Börse AG and must submit these via their respective custodian bank during the Offer Period (as defined below). This presupposes that the custodian bank

- (i) is admitted as a trading participant of the Frankfurt Stock Exchange or has trading access via an admitted trading participant of the Frankfurt Stock Exchange;
- (ii) has a connection to the XETRA trading system; and
- (iii) is authorised and able to use the XETRA Subscription Functionality DirectPlace on the basis of the terms and conditions of Deutsche Börse AG for the XETRA Subscription Functionality ("**Trading Participant**").

Investors whose custodian bank is a Trading Participant participate in the Public Offer directly via their custodian bank. Investors in Luxembourg whose custodian bank is not a Trading Participant may instruct a Trading Participant via their custodian bank to place a subscription offer, which the Trading Participant will settle with the investor's custodian bank following acceptance by the order book manager ("**Order Book Manager**").

The Public Offer will, together with the Exchange Offer and the Option to Purchase, be communicated in Luxembourg by placing an offer notice in the "Luxemburger Wort".

Exchange Offer

Bondholders have the option of exchanging their 2019/2024 Bonds into the Bonds offered in accordance with this Prospectus based on the Exchange Offer, which is expected to be published on 16 June 2023 on the Issuer's website (www.hoermann-gruppe.com) and in the German Federal Gazette. The exchange shall take place in such a way that Bondholders who wish to offer their 2019/2024 Bonds for exchange, for each Bond 2019/2024 with a principal amount of EUR 1,000, will be offered a new Bond which is the subject of this Prospectus in the principal amount of EUR 1,000 each, and a cash-settlement amount consisting of an exchange premium for the voluntary exchange of 0.23 % of the nominal amount of the exchanged 2019/2024 Bonds ("**Exchange Premium**") and the accrued and unpaid interest attributable to the exchanged 2019/2024 Bonds. Bondholders of the 2019/2024 Bonds intending to exchange their 2019/2024 Bonds may, via their custodian bank, within the exchange period for the Exchange Offer beginning on 16 June 2023 and ending in 28 June 2023 ("**Exchange Period**"), submit an offer to exchange their 2019/2024 Bonds to the Issuer in writing using the form provided by the custodian bank. Exchange Agent is futurum bank AG, Frankfurt am Main, Germany ("**Exchange Agent**").

Termination of remaining outstanding 2019/2024 Bonds

To the extent that the Bondholders of the 2019/2024 Bonds do not participate in the Exchange Offer, the Issuer will terminate the remaining outstanding 2019/2024 Bonds within three months after the Issue Date. The Issuer will publish the termination notice no later than 30 September 2023.

Option to Purchase

Bondholders of the 2019/2024 Bonds participating in the Exchange Offer can subscribe to further Bonds. This additional purchase option is expected to be published as part of the Exchange Offer. Bondholders who wish to exercise the option to purchase can submit a binding offer to purchase further Bonds within the Exchange Period in writing using the form provided by their custodian bank or in any other written form via their custodian bank. The additional purchase request can only be considered if the additional purchase application has been received by the Exchange Agent by the end of the Exchange Period at the latest. An additional purchase is only possible for a principal amount of EUR 1,000 or a multiple thereof.

Offer Period

The offer period, during which investors have the opportunity to submit subscription offers in the context of the Public Offer via the Subscription Functionality ("**Offer Period**"), begins on 21 June 2023 in compliance with statutory provisions. The Offer Period ends on 30 June 2023 (12:00 CEST). If an oversubscription (as defined below) occurs, the Exchange Period or the Offer Period, however, may be terminated prior to the above-mentioned dates on the market day on which the oversubscription has occurred. The Issuer may, at any time and in its sole and absolute discretion, extend or shorten the Exchange Period or the Offer Period without giving reasons or withdraw the Exchange Offer, the Option to Purchase and/or the Public Offering. An extension or shortening of the Exchange Period or the Offer Period will be announced by the Issuer on its website (www.hoermann-gruppe.com) and in the German Federal Gazette. In the case of an extension of the Exchange Period or the Offer Period, the Issuer will have a supplement to this Prospectus approved by the CSSF and published in the same manner as this Prospectus.

Allocation and publication of results

There is an "oversubscription" when the offers received under the Exchange Offer, the Option to Purchase, the Public Offer via the Subscription Functionality and the Private Placement, together exceed the aggregate principal amount of the offered Bonds of the targeted volume of EUR 50,000,000. It is in the discretion of the Issuer, in particular in the case of an oversubscription, to allocate or reject subscription orders under the Exchange Offer, the Option to Purchase, the Public Offer via the Subscription Functionality and the Private Placement in consultation with the Manager. The Issuer is authorised to reduce subscription offers without reasons, to allocate them asymmetrically or to reject individual subscriptions. Following the final allocation of the Bonds, investors will be informed via their custodian bank.

The final total nominal amount and the final interest rate of the Bonds are expected to be determined during the Offer Period, but no later than the end of the Offer Period on 30 June 2023, and will be communicated to the Bondholders in an interest and volume fixing notice filed with the CSSF.

Delivery and settlement

The Bonds shall be delivered and settled either by the Manager or by the Exchange Agent or by the Order Book Manager on behalf of the Issuer. Delivery of the Bonds will take place on the Issue Date (as defined in the Bond Terms) of the Bonds. The Bonds will be delivered through bookings using the clearing system of Verdepapirsentralen ASA ("**VPS**"), Clearstream Banking AG, Frankfurt am Main ("**Clearstream**"), or any other clearing system and the custodian banks. Together with the Bonds delivered, the Exchange Agent on behalf of the Issuer shall also pay to the Bondholders who have submitted their 2019/2024 Bonds in the context of the Exchange Offer the accrued and unpaid interest for the 2019/2024 Bonds and the Exchange Premium via the respective custodian bank.

Expenses and taxes

The Issuer will not charge Bondholders for costs, expenses or taxes related to the Bonds. However, Bondholders should inform themselves of any costs, expenses or taxes related to the Bonds, which generally apply in their country of origin. In particular this includes such fees charged by their own custodians for the acquisition or holding of securities.

GENERAL INFORMATION

Responsibility statement

The Issuer with its registered office in Kirchseeon, Germany, accepts responsibility for the information contained in this Prospectus and declares that, having taken all reasonable care to ensure that such is the case, the information contained in this Prospectus for which it is responsible is, to the best of its knowledge, in accordance with the facts and contains no omission likely to affect its import.

Neither the Manager nor any other person mentioned in this Prospectus, other than the Issuer, is responsible for the information contained in this Prospectus or any other document incorporated herein by reference, and accordingly, and to the extent permitted by the laws of any relevant jurisdiction, none of these persons accepts any responsibility for the accuracy and completeness of the information contained in any of these documents or any responsibility for any acts or omissions of the Issuer or any other person (other than the Manager) in connection with this Prospectus or the issue and offering of the Bonds.

This Prospectus should be read and understood in conjunction with any supplement hereto and with any other documents incorporated herein by reference. Any website referred to in this Prospectus is referred to for information purposes only and does not form part of this Prospectus, unless expressly incorporated into this Prospectus by reference. Information on the websites has not been scrutinised or approved by the CSSF.

Important Notices

No person is authorised to give any information or to make any representations other than those contained in this Prospectus and, if given or made, such information or representations must not be relied upon as having been authorised by or on behalf of the Issuer or the Manager (as defined in "*Subscription and Sale of the Bonds*").

This Prospectus reflects the status as of its date. Neither the delivery of this Prospectus nor any offering, sale or delivery of any Bonds made hereunder shall, under any circumstances, create any implication (i) that the information in this Prospectus is correct as of any time subsequent to the date hereof or, as the case may be, subsequent to the date on which this Prospectus has been most recently amended or supplemented, or (ii) that there has been no adverse change in the financial situation of the Issuer which is material in the context of the issue and sale of the Bonds since the date of this Prospectus or, as the case may be, the date on which this Prospectus has been most recently amended or supplemented, or the balance sheet date of the most recent financial statements which are incorporated by reference into this Prospectus, or (iii) that any other information supplied in connection with the issue of the Bonds is correct at any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

Each investor contemplating purchasing any Bonds should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness of the Issuer and make its own assessment as to the suitability of investing in the Bonds.

This Prospectus does not constitute, and may not be used for the purposes of, 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 offer or solicitation. The offer, sale and delivery of the Bonds and the distribution of this Prospectus in certain jurisdictions is restricted by law. Persons into whose possession this Prospectus comes are required by the Issuer and the Manager to inform themselves about and to observe any such restrictions. In particular, the Bonds have not been and will not be registered under the Securities Act and are being sold pursuant to an exemption from the registration requirements of the Securities Act. The Bonds are subject to U.S. tax law requirements. Subject to certain limited exceptions, the Bonds 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 under the Securities Act ("**Regulation S**"). For a further description of certain restrictions on offerings and sales of the Bonds and distribution of this Prospectus (or of any part thereof) (see "*Subscription and Sale of the Bonds – Selling Restrictions*").

If any claims are asserted before a court of law based on the information contained in this Prospectus, the investor appearing as plaintiff may have to bear the costs of translating this Prospectus prior to the commencement of the court proceedings pursuant to the national legislation of the member states of the European Economic Area.

MiFID II Product Governance

Solely for the purposes of the manufacturer's product approval process, the target market assessment in respect of the Bonds has led to the conclusion that: (i) the target market for the Bonds is a) eligible counterparties, professional clients and retail clients, each as defined in MiFID II; and who; b) have at least a common/normal understanding of the capital markets, c) are able to bear the losses of their invested amount and, d) are willing to accept risks connected with the bonds, and e) have an investment horizon which corresponds with the terms of the bonds and (ii) all channels for distribution of the Bonds are appropriate, including investment advice, portfolio management, non-advised sales and pure execution services, subject to the distributor's suitability and appropriateness obligations under MiFID II, as applicable. The issuer for the Private Placement has not published sufficient data for the manufacturer to determine whether an investment in the Private Placement is compatible for investors who have expressed sustainability related objectives with their investments based on that which (i) is an environmentally sustainable investment under the EU Taxonomy Regulation, (ii) represents a sustainable investment under the SFDR, and/or (iii) takes into consideration any Principle Adverse Impacts on sustainability factors as per the SFDR. Any person subsequently offering, selling or recommending the Bonds (each 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 Bonds (by either adopting or refining the manufacturer's target market assessment) and determining appropriate distribution channels, subject to the Distributor's suitability and appropriateness obligations under MiFID II, as applicable. The Issuer is not a manufacturer or Distributor for the purposes of the MiFID Product Governance Rules.

Notwithstanding, and without affecting the manufacturer's target market assessment as per the above, the Manager will only allow distribution through its distribution channels to investors who: a) in the EU meet the requirements set out in the manufacturer's target market assessment, and who b) in respect of investors residing outside the Nordics at least can be classified as professional clients or eligible counterparties as per the MiFID II definition.

For distribution to investors located outside of the EU, distribution of the Bonds is only allowed to such investors which a) the Manager may approach as per the rules of the jurisdiction in which the investors reside, and b) which can provide adequate confirmations to this effect, and c) which as per minimum meets the requirements of the manufacturer's target market assessment.

Forward-looking statements

This Prospectus contains forward-looking statements. A forward-looking statement is any statement that does not relate to historical facts or events or to facts or events as of the date of this Prospectus. In some cases, forward-looking statements can be identified by the use of forward-looking terminology or subjective assessments, which may include words such as "anticipate", "believe", "contemplate", "continue", "could", "expect", "intend", "plan", "potential", "predict", "project", "should", "target" and "would" or the negative of these words or other similar terms or expressions.

The forward-looking statements contained in this Prospectus are based on estimates and assessments made to the best of the Issuer's present knowledge. These forward-looking statements are based on assumptions, uncertainties and other factors, the occurrence or non-occurrence of which could cause the Issuer's actual results, including its financial condition and profitability, to differ materially from or fail to meet the expectations expressed or implied in the forward-looking statements. Forward-looking statements should not be relied upon as predictions of future events.

In light of these uncertainties and assumptions, future events mentioned in this Prospectus may not occur. In addition, the forward-looking estimates and forecasts reproduced in this Prospectus from third-party sources could prove to be inaccurate.

Forward-looking statements included in this Prospectus speak only as of the date of this Prospectus and neither the Issuer nor the Manager assumes any obligation, except as required by law, to update any forward-looking statement or to conform any such statement to actual events or developments. The Issuer may not actually achieve the plans, intentions or expectations disclosed in the forward-looking statements. These forward-looking statements do not reflect the potential impact of any future acquisitions, mergers, dispositions, joint ventures or investments.

Third-Party Information

Furthermore, this Prospectus contains industry related data taken or derived from industry and market research reports published by third parties ("**Third-Party Information**"). Commercial publications generally state that the information they contain originated from sources assumed to be reliable, but that the accuracy and completeness of such information is not guaranteed and that the calculations contained therein are based on a series of assumptions. The Third-Party Information has not been independently verified by the Issuer.

The Third-Party Information was reproduced accurately by the Issuer in this Prospectus, and as far as the Issuer is aware and is able to ascertain from information published by any third party, no facts have been omitted that would render the reproduced Third-Party Information inaccurate or misleading. The Issuer does not have access to the underlying facts and assumptions of numerical and market data and other information contained in publicly available sources. Consequently, such numerical and market data or other information cannot be verified by the Issuer.

Documents Available

For the period during which this Prospectus remains valid, the following documents will be available on the Issuer's website (www.hoermann-gruppe.com):

- the articles of association;
- the unaudited consolidated interim report for the period from 1 January 2023 to 31 March 2023 (the "**Unaudited Interim Financial Statements**"); and
- the audited consolidated financial statements of the Issuer as of and for the financial years ended 31 December 2021 and 31 December 2022 prepared in accordance with the generally accepted accounting principles of German commercial law for corporations and the supplementary provisions of the law concerning the German Limited Liability Companies Act (*Gesetz betreffend die Gesellschaften mit beschränkter Haftung*) (the "**Audited Consolidated Financial Statements**").

Information on the Issuer's website (www.hoermann-gruppe.com) and information accessible via this website is neither part of, nor incorporated by reference into, this Prospectus.

Presentation of financial information

The Audited Consolidated Financial Statements have been audited in accordance with Section 317 of the German Commercial Code (*Handelsgesetzbuch* – "**HGB**") and in compliance with German generally accepted standards for financial statement audit promulgated by the Institute of Public Auditors in Germany (*Institut der Wirtschaftsprüfer*) by BDO AG Wirtschaftsprüfungsgesellschaft, Zielstattstraße 40, 81379 München, Germany, who issued unqualified independent auditors' reports (*Bestätigungsvermerke des unabhängigen Abschlussprüfers*) thereon.

Where financial information in the tables in this Prospectus is labelled "audited", this means that it has been taken from the Audited Consolidated Financial Statements. The label "unaudited" in the tables in this Prospectus indicates financial information that has been taken from (i) the Unaudited Interim Financial Statements, (ii) the Issuer's internal accounting records or internal reporting systems or (iii) is based on calculations of figures from the aforementioned sources or from the Audited Consolidated Financial Statements.

Unless indicated otherwise, all financial information presented in the text and tables in this Prospectus is shown in millions of Euros (in EUR million). Certain financial information, including percentages, has been rounded according to established commercial standards. As a result, rounded figures in the tables included in this Prospectus may not add up to the aggregate amounts in such tables (sum totals or subtotals), which are calculated based on unrounded figures. Furthermore, differences and ratios are calculated based on rounded figures and may therefore deviate from differences or ratios calculated based on unrounded figures appearing elsewhere in this Prospectus. Financial information presented in parentheses denotes the negative of such number presented. A dash ("–") signifies that the relevant figure is not available or zero, while a zero ("0.0") signifies that the relevant figure has been rounded to zero.

In this Prospectus all references to "€", "EUR" or "euro" are to the currency introduced at the start of the third stage of the European economic and monetary union, and as defined in Article 2 of Council Regulation (EC) No 974/98 of May 3, 1998 on the introduction of the euro.

Alternative performance measures

Throughout this Prospectus, financial information is presented, that is not prepared in accordance with HGB or any other internationally accepted accounting principles, including the EBITDA, EBIT, Total financial liabilities or Net financial liabilities (together, "**Alternative Performance Measures**"). These Alternative Performance Measures are alternative performance measures as defined in the guidelines issued by the European Securities and Markets Authority ("**ESMA**") on alternative performance measures published on 5 October 2015. Alternative Performance Measures are presented because the Issuer uses them to measure the Group's and the Issuer's operating performance and liquidity and as a basis for its strategic planning, and because the Issuer believes that such Alternative Performance Measures will be used by investors and analysts to assess the Group's and the Issuer's performance. These Alternative Performance Measures may enhance management's and investors' understanding of the Group's financial performance and liquidity by excluding items that are outside of the Group's ongoing operations, such as taxes on income, costs of capital, non-cash expenses, gains and losses from M&A transactions, restructuring expenses and payments and other non-recurring items.

Such Alternative Performance Measures should not be considered as alternatives or substitutes for profit or loss for the period as indicators of the Group's performance or profitability or as alternatives or substitutes for cash flow from operating, investing or financing activities as an indicator of the Group's liquidity or other data from the Issuer's consolidated financial statements prepared in accordance with HGB.

Furthermore, Alternative Performance Measures are not recognised under HGB or any other generally accepted accounting principles, should not be considered as substitutes for an analysis of the Group's and the Issuer's operating results prepared in accordance with HGB and may not be comparable to similarly titled financial measures published by other companies due to differences in the way the Alternative Performance Measures are calculated.

Authorisation

The issuance of the Bonds was resolved by the management of the Issuer on 14 June 2023.

Legislation, Form of the Bonds, Clearing

The Bonds will be issued under Norwegian law in uncertificated and dematerialised book-entry form registered in accordance with section 3-1 of the Norwegian Securities Depository Act of 15 March 2019 no. 6 (No. *verdipapirsentralloven*) ("**VPS Act**") in a securities depository approved or acknowledged under the EU central securities depositories (CSD) regulation (Regulation (EU) No 909/2014 of 23 July 2014 on improving securities settlement in the EU and on central securities depositories and amending Directives 98/26/EC and 2014/65/EU and Regulation (EU) No 236/2012), which will be VPS. On or before the Issue Date, entries may be made with the VPS to evidence the debt represented by the Bonds to accountholders with the VPS.

Settlement of sale and purchase transactions in respect of Bonds in the VPS will take place in accordance with market practice at the time of the transaction. Transfers of interests in the relevant Bonds will take place in accordance with the VPS Act and the rules and procedures for the time being of the VPS.

Title to Bonds will pass by registration in the registers between the direct accountholders at the VPS in accordance with the rules and procedures of the VPS. The holder of a Bond will be the person evidenced as such by a book-entry in the records of the VPS. The person evidenced (including any nominee) as a holder of the Bonds shall be treated as the holder of such Bonds for the purposes of payment of principal or interest on such Bonds. The expressions "*Bondholders*" and "*holder of Bonds*" and related expressions shall, in each case, be construed accordingly.

Payments of principal and interest in respect of Bonds shall be made to the holders shown in the relevant records of the VPS in accordance with and subject to the VPS Act and the rules and regulations from time to time governing the VPS.

Limitation of claims

Claims for interest and principal under the Bonds may be time-barred pursuant to the Norwegian Limitation Act of 18 May 1979 no. 18, whereby the general limitation period is 3 years for interest and 10 years for the principal, in each case, calculated from the earliest date a claim can be made.

Method to determine the yield

The interest rate of the Bonds will be determined by the ICMA method. Interest will be calculated based on a 360-day year comprised of twelve months of 30 days each (30/360-day basis).

For further information, please see "BOND TERMS".

Interest of natural and legal persons involved in the offering and potential conflicts of interests

The Manager has an interest in the successful Offering. The remuneration for the services of the Manager in connection with the Offering depends on various factors, in particular the amount of the gross issue proceeds achieved. This may result in conflicts of interest insofar as the Manager's interest in maximising the remuneration may conflict with legal or contractual obligations to disclosure of risks of the Offering and/or the Bonds for the protection of the Issuer and/or potential investors.

USE OF PROCEEDS

Assuming a sale of all Bonds and an acceptance quota of 50 per cent. of the Exchange Offer in an amount of EUR 50,000,000, the Issuer's total expenses in relation to the Offering (including roll-over fees for the exchange of the 2019/2024 Bonds) and the inclusion to trading will amount to approximately EUR 1,500,000. In this case, the Issuer would receive net proceeds of approximately EUR 23,442,500.

Investors will not be charged any expenses by the Issuer or the Manager. Investors may, however, have to bear customary transaction and handling fees charged by their account-keeping financial institutions.

The Issuer intends to use the net proceeds for general corporate and working capital purposes of the Group, including the refinancing of its remaining outstanding 2019/2024 Bonds, to the extent not exchanged into the Bonds offered herewith.

BOND TERMS

BOND TERMS between	
ISSUER:	Hörmann Industries GmbH, a company existing under the laws of Germany with registration number HRB 141701 and LEI-code 5299009E2YKF66FJZ622; and
BOND TRUSTEE:	Nordic Trustee AS, a company existing under the laws of Norway with registration number 963 342 624 and LEI-code 549300XAKTM2BMKIPT85.
DATED:	[11] July 2023
These Bond Terms shall remain in effect for so long as any Bonds remain outstanding.	

1. INTERPRETATION

1.1 Definitions

The following terms will have the following meanings:

"**Accounting Standard**" means generally accepted accounting practices and principles in the country in which the Issuer is incorporated, including IFRS.

"**Additional Bonds**" means the debt instruments issued under a Tap Issue.

"**Affiliate**" means, in relation to any person:

- (a) any person which is a Subsidiary of that person;
- (b) any person who has Decisive Influence over that person (directly or indirectly); and
- (c) any person which is a Subsidiary of an entity who has Decisive Influence over that person (directly or indirectly).

"**Affiliate Financing**" means:

- (a) the loans up to the aggregate principal amount of EUR 17,500,000 made prior to the Issue Date by Hörmann Automotive GmbH to an Affiliate of one of its (direct or indirect) shareholders, FTH Fahrzeugteileholding GmbH, in connection with the closing down the operations of Hörmann Automotive Penzberg GmbH;
- (b) any receivables on arm's length terms of the Issuer against any of its (direct or indirect) shareholders or any Affiliate thereof arising by operation of the cash pool system in respect of which the Issuer and such shareholders and Affiliates are participants (calculated on a net basis in accordance with the terms of such cash pool system), provided that the aggregate principal amount of all such receivables against all such shareholders and Affiliates does not at any time exceed EUR 15,000,000 (or its equivalent in other currencies); and
- (c) any loans or credits on arm's length terms made by the Issuer to any of its (direct or indirect) shareholders or any Affiliate thereof, provided that the aggregate principal amount of all such loans and credits to all such shareholders and Affiliates does not at any time exceed EUR 5,000,000 (or its equivalent in other currencies).

"Annual Financial Statements" means the audited consolidated annual financial statements of the Issuer for each of its Financial Years, each of which shall include a balance sheet, profit and loss account and cashflow statement together with management commentary on the performance.

"Attachment" means any schedule, appendix or other attachment to these Bond Terms.

"Bond Currency" means the currency in which the Bonds are denominated, as set out in Clause 2.1 (*Amount, denomination and ISIN of the Bonds*).

"Bond Terms" means these terms and conditions, including all Attachments which form an integrated part of these Bond Terms, in each case as amended and/or supplemented from time to time.

"Bond Trustee" means the company designated as such in the preamble to these Bond Terms, or any successor, acting for and on behalf of the Bondholders in accordance with these Bond Terms.

"Bond Trustee Fee Agreement" means the agreement entered into between the Issuer and the Bond Trustee relating to, among others, the fees to be paid by the Issuer to the Bond Trustee for its obligations under these Bond Terms.

"Bondholder" means a person who is registered in the CSD as directly registered owner or nominee holder of a Bond, subject however to Clause 3.3 (*Bondholders' rights*).

"Bondholders' Meeting" means a meeting of Bondholders as set out in Clause 15 (*Bondholders' Decisions*).

"Bonds" means (i) the debt instruments issued by the Issuer pursuant to these Bond Terms, including any Additional Bonds, and (ii) any overdue and unpaid principal which has been issued under a separate ISIN in accordance with the regulations of the CSD from time to time.

"Business Day" means a day on which both the relevant CSD settlement system is open and which is a TARGET Day.

"Business Day Convention" means that if the last day of any Interest Period originally falls on a day that is not a Business Day, no adjustment will be made to the Interest Period.

"Call Option" has the meaning ascribed to such term in Clause 10.2 (*Voluntary early redemption – Call Option*).

"Call Option Repayment Date" means the settlement date for the Call Option determined by the Issuer pursuant to Clause 10.2 (*Voluntary early redemption – Call Option*), paragraph (d) of Clause 10.3 (*Mandatory repurchase due to a Put Option Event*) or a date agreed upon between the Bond Trustee and the Issuer in connection with such redemption of Bonds.

"Call Price" has the meaning ascribed to such term in Clause 10.2 (*Voluntary early redemption - Call Option*).

"Change of Control" means:

- (a) at any time prior to the completion of an IPO, that the Investors (in total) cease to (i) own and control (directly or indirectly) more than 50.00 per cent. of the shares and the voting rights in the Issuer or (ii) have the power to appoint or remove the majority of the members of the board of directors of the Issuer;
- (b) upon and at any time after the completion of an IPO, that any person or group of persons acting in concert (other than the Investors) owns or controls (directly or indirectly) 50.00 per cent. or more of the shares or the voting rights in the Issuer; or
- (c) at any time, the sale, transfer or other disposal of all or substantially all of the assets of the Group whether in a single transaction or a series of related transactions.

"Closing Procedure" means any closing procedure in respect of the issuance of the Bonds agreed between, among others, the Issuer and the Bond Trustee.

"Compliance Certificate" means a statement substantially in the form as set out in Attachment 1 hereto.

"Credit Facility" means:

- (a) each of the Local Facility, the Revolving Credit Facility and the Unsecured Facility (and, in each case, any similar facility replacing any such facility); and
- (b) the KfW Facilities.

"CSD" means the central securities depository in which the Bonds are registered, being Verdipapirsentralen ASA (VPS).

"Decisive Influence" means a person having, as a result of an agreement or through the ownership of shares or ownership interests in another person (directly or indirectly):

- (a) a majority of the voting rights in that other person; or
- (b) a right to elect or remove a majority of the members of the board of directors of that other person.

"Default Notice" has the meaning ascribed to such term in Clause 14.2 (*Acceleration of the Bonds*).

"Default Repayment Date" means the settlement date set out by the Bond Trustee in a Default Notice requesting early redemption of the Bonds.

"Disbursement" means the payment of the net cash proceeds of the Initial Bond Issue to the Issuer as set out in clause 6 (Conditions for disbursement) (the date of which will coincide with the Issue Date).

"Distribution" means in respect of any Group Company:

- (a) any declaration, making or payment of any dividend, charge, fee or other distribution (or any interest on any unpaid dividend, charge, fee or other distribution) on or in respect of its share capital (or any class thereof);
- (b) any repayment or distribution of any dividend or share premium reserve;
- (c) any payment of any management, advisory or other fee to or to the order of any of its (direct or indirect) shareholders or any Affiliate thereof;
- (d) any redemption, repurchase, defeasance, retirement or repayment of its share capital or the making of any resolution to do so; and
- (e) any prepayment, repayment, purchase, redemption, defeasance or other discharge of any Shareholder Loan or any payment of any interest, fee, charge or premium accrued in respect thereof.

"EBITDA" means, in respect of any Relevant Period, the consolidated operating profit of the Group before taxation (excluding the results from discontinued operations):

- (a) before deducting any interest, commission, fees, discounts, prepayment fees, premiums or charges and other finance payments whether paid, payable or capitalised by any Group Company (calculated on a consolidated basis) in respect of that Relevant Period;
- (b) not including any accrued interest owing to any Group Company;
- (c) after adding back any amount attributable to the amortisation or depreciation of assets of any Group Company;

- (d) before taking into account any exceptional, one off, non-recurring or extraordinary items, which together with any other amounts to be covered by the EBITDA Adjustment Basket in respect of such Relevant Period, does not exceed the EBITDA Adjustment Basket;
- (e) before deducting any fees, costs and expenses, stamp, registration and other taxes incurred by any Group Company in connection with the issuance of the Bonds;
- (f) after deducting the amount of any profit (or adding back the amount of any loss) of any Group Company which is attributable to minority interests;
- (g) plus or minus the Group's share of the profits or losses (after finance costs and tax) of any investment or entity (which is not itself a Group Company (including associates and joint ventures)) in which any Group Company has an ownership interest;
- (h) before taking into account any unrealised gains or losses on any derivative or financial instrument (other than any derivative instrument which is accounted for on a hedge accounting basis);
- (i) before taking into account any gain or loss arising from an upward or downward revaluation of any other asset;
- (j) before taking into account any income or charge attributable to a post-employment benefit scheme (other than the current service costs and any past service costs and curtailments and settlements attributable to the scheme); and
- (k) excluding the charge to profit represented by the expensing of stock options,

in each case, to the extent added, deducted or taken into account, as the case may be, for the purposes of determining operating profits of the Group before taxation.

"**EBITDA Adjustment Basket**" means an amount not exceeding 10.00 per cent. of EBITDA (prior to making any adjustments for the type of items in question) in respect of any Relevant Period in aggregate for the Group.

"**EUR**" means the single currency of the participating member states in accordance with the legislation of the European Community relating to Economic and Monetary Union.

"**Event of Default**" means any of the events or circumstances specified in Clause 14.1 (*Events of Default*).

"**Exchange**" means:

- (a) Frankfurt Open Market; or
- (b) Nordic ABM.

"**Existing Bond Terms**" means the bond terms dated 27 May 2019 between the Issuer as issuer and Nordic Trustee AS as bond trustee for certain bondholders (as the same may have been amended, restated and/or supplemented).

"**Existing Bonds**" means the bonds issued by the Issuer on 6 June 2019 with ISIN NO0010851728 under and pursuant to the Existing Bond Terms.

"**Finance Documents**" means these Bond Terms, the Bond Trustee Fee Agreement, any Subordination Agreement, any Tap Issue Addendum and any other document designated as such by the Issuer and the Bond Trustee.

"**Finance Lease**" means any lease or hire purchase contract, a liability under which would, in accordance with the Accounting Standard, be treated as a balance sheet liability (other than a lease or hire purchase contract which would, in accordance with the Accounting Standard in force prior to 1 January 2019, have been treated as an operating lease).

"Financial Indebtedness" means any indebtedness for or in respect of:

- (a) moneys borrowed (and debit balances at banks or other financial institutions);
- (b) any amount raised by acceptance under any acceptance credit facility or dematerialised equivalent;
- (c) any amount raised pursuant to any note purchase facility or the issue of any bonds, notes, debentures, loan stock or any similar instrument, including the Bonds;
- (d) the amount of any liability in respect of any Finance Lease which would, in accordance with the Accounting Standard, be capitalised as an asset and booked as a corresponding liability in the balance sheet;
- (e) receivables sold or discounted (other than any receivables to the extent they are sold on a non-recourse basis, provided that the requirements for de-recognition under the Accounting Standard are met);
- (f) any derivative transaction entered into and, when calculating the value of any derivative transaction, only the marked to market value (or, if any actual amount is due as a result of the termination or close-out of that transaction, that amount shall be taken into account);
- (g) any counter-indemnity obligation in respect of a guarantee, bond, standby or documentary letter of credit or any other similar instrument issued by a bank or financial institution in respect of an underlying liability of an entity which is not a Group Company which liability would fall within one of the other paragraphs of this definition;
- (h) any amount raised by the issue of shares which are redeemable (other than at the option of the issuer) before the Maturity Date or are otherwise classified as borrowings under the Accounting Standard;
- (i) any amount of any liability under an advance or deferred purchase agreement if (i) the primary reason behind entering into the agreement is to raise finance or (ii) the agreement is in respect of the supply of assets or services and payment is due more than 180 calendar days after the date of supply;
- (j) any amount raised under any other transaction (including any forward sale or purchase agreement) having the commercial effect of a borrowing or otherwise classified as borrowings under the Accounting Standard; and
- (k) without double counting, the amount of any liability in respect of any guarantee for any of the items referred to in any of the preceding paragraphs.

"Financial Quarter" means the period commencing on the day after one Quarter Date and ending on the next Quarter Date.

"Financial Report" means the Annual Financial Statements or the Interim Accounts.

"Financial Year" means the annual accounting period of the Group ending on 31 December in each year.

"First Call Date" means [11] January 2026 (being the Interest Payment Date falling 30 months after the Issue Date).

"Frankfurt Open Market" means the Open Market (Freiverkehr) of the Frankfurt Stock Exchange (Frankfurter Wertpapierbörse).

"Group" means the Issuer and each of its Subsidiaries from time to time.

"Group Company" means any person which is a member of the Group.

"**IFRS**" means the International Financial Reporting Standards and guidelines and interpretations issued by the International Accounting Standards Board (or any predecessor and successor thereof) in force from time to time and to the extent applicable to the relevant financial statement.

"**Incurrence Test**" has the meaning ascribed to such term in Clause 13.20 (*Incurrence Test*).

"**Initial Bond Issue**" means the amount to be issued on the Issue Date as set out in Clause 2.1 (*Amount, denomination and ISIN of the Bonds*).

"**Initial Nominal Amount**" means the Nominal Amount of each Bond on the Issue Date as set out in Clause 2.1 (*Amount, denomination and ISIN of the Bonds*).

"**Insolvent**" means that a person:

- (a) is unable or admits inability to pay its debts as they fall due;
- (b) suspends making payments on any of its debts generally; or
- (c) is otherwise considered insolvent or bankrupt within the meaning of the relevant bankruptcy legislation of the jurisdiction which can be regarded as its centre of main interest as such term is understood pursuant to Regulation (EU) 2015/848 on insolvency proceedings (as amended from time to time).

"**Interest Payment Date**" means the last day of each Interest Period, the first Interest Payment Date being [11] July 2024 (being 12 months after the Issue Date) and the last Interest Payment Date being the Maturity Date.

"**Interest Period**" means, subject to adjustment in accordance with the Business Day Convention, the period between [11] July each year, provided however that an Interest Period shall not extend beyond the Maturity Date.

"**Interest Rate**" means [●] per cent. per annum.

"**Interim Accounts**" means the unaudited consolidated quarterly financial statements of the Issuer for each Financial Quarter (other than each Financial Quarter ending on 31 December) in each of its Financial Years, each of which shall include a balance sheet, profit and loss account and cashflow statement together with management commentary on the performance.

"**Investors**" means each of Elizabeth Hörmann, Johann Hörmann, Anna Hörmann, Barbara Hörmann and their respective lineal descendants and spouses as well as any foundations (Stiftungen) established by, and under the Decisive Influence of, any of the foregoing.

"**IPO**" means the earlier to occur of (a) any initial public offering of shares in the Issuer and (b) any listing of any part of the share capital of the Issuer at any regulated market place for listing and trading of shares.

"**ISIN**" means International Securities Identification Number.

"**Issue Date**" means [11] July 2023.

"**Issuer**" means the company designated as such in the preamble to these Bond Terms.

"**Issuer's Bonds**" means any Bonds which are owned by the Issuer or any Affiliate of the Issuer.

"**KfW Facilities**" means the facilities made available to the Issuer as part of the Corona-Unternehmerkredit/KfW-Sonderprogramm 2020 under the loan agreements dated 1 September 2020, 15 September 2020 and 23 September 2020 between the Issuer as borrower and SaarLB, Commerzbank AG, HeLaBa and Oberbank AG (respectively) as lenders and guaranteed (80%) by Kreditanstalt für Wiederaufbau (KfW) (as the same may have been amended, restated and/or

supplemented) with a total principal amount outstanding as at the Issue Date of EUR 6,300,000, provided that such KfW Facilities may not at any time after the Issuer Date be increased or extended.

"Leverage" means, in respect of any Relevant Period, the ratio of Total Net Debt on the last day of that Relevant Period to EBITDA in respect of such Relevant Period (in each case, calculated and adjusted as set out herein).

"Listing Failure Event" means:

- (a) that the Bonds have not been admitted to listing on Nordic ABM within 6 months of the Issue Date; or
- (b) in the case of a successful admission to listing of the Bonds on Nordic ABM, that a period of 3 months has elapsed since the Bonds ceased to be admitted to listing on Nordic ABM.

"Local Facility" means one or more unsecured credit facilities made available to any Group Company (other than the Issuer) incorporated outside Germany for the purpose of financing the general corporate and working capital purposes of such Group Company and its Subsidiaries, provided that the total principal amount outstanding under all such Local Facilities may not at any time exceed EUR 3,000,000 (or its equivalent in other currencies) in aggregate for the Group.

"Make Whole Amount" means an amount equal to the sum of the present value on the applicable Repayment Date of each of:

- (a) [100.00 per cent. plus 50.00 per cent. of the Interest Rate] per cent. of the Nominal Amount of the redeemed Bonds as if such redemption had taken place on the First Call Date; and
- (b) the remaining interest payments on the redeemed Bonds to the First Call Date (less any accrued and unpaid interest on the redeemed Bonds as at such Repayment Date),

where the present value shall be calculated by using a discount rate of 1.00 percentage point per annum.

"Manager" means Pareto Securities AS, Frankfurt Branch, Graefstrasse 97, 60487 Frankfurt am Main, Germany.

"Material Adverse Effect" means a material adverse effect on:

- (a) the ability of the Issuer to perform and comply with its obligations under any Finance Document; or
- (b) the validity or enforceability of any of the Finance Documents.

"Maturity Date" means [11] July 2028, adjusted according to the Business Day Convention.

"Maximum Issue Amount" means the maximum amount that may be issued under these Bond Terms as set out in Clause 2.1 (*Amount, denomination and ISIN of the Bonds*).

"Net Proceeds" means the cash proceeds from the issuance of the Bonds (net of fees and legal cost of the Manager and, if required by the Bond Trustee, the Bond Trustee fee, and any other cost and expenses incurred in connection with the issuance of the Bonds).

"Nominal Amount" means the nominal value of each Bond at any time. The Nominal Amount may be amended pursuant to paragraph (j) of Clause 16.2 (*The duties and authority of the Bond Trustee*).

"Nordic ABM" means the alternative bond market of the Oslo Stock Exchange (*Oslo Børs*).

"Outstanding Bonds" means any Bonds not redeemed or otherwise discharged.

"Overdue Amount" means any amount required to be paid by the Issuer under the Finance Documents but not made available to the Bondholders on the relevant Payment Date or otherwise not paid on its applicable due date.

"Partial Payment" means a payment that is insufficient to discharge all amounts then due and payable under the Finance Documents.

"Paying Agent" means the legal entity appointed by the Issuer to act as its paying agent with respect to the Bonds in the CSD.

"Payment Date" means any Interest Payment Date or any Repayment Date.

"Permitted Distribution" means any Distribution made by:

- (a) the Issuer, provided that (i) it complies with the Incurrence Test if tested pro forma immediately after the making of such Distribution and (ii) the amount of such Distribution (when aggregated with the amount of any other Distribution made by it during the same Financial Year) does not exceed an amount equal to 50.00 per cent. of the Group's consolidated net income after tax for the previous Financial Year; or
- (b) any Group Company other than the Issuer, provided that (i) such Distribution is made to another Group Company or (ii), if made by such a Group Company which is not wholly-owned, is made pro rata to its shareholders on the basis of their respective ownership at the same time,

in each case, provided that no Event of Default is continuing or would result from the making of such Distribution. If the amount of any such Permitted Distribution made in any Financial Year is less than the maximum amount of such Permitted Distribution permitted to be made for that Financial Year, then such unused amount may not be carried forward to any subsequent Financial Year.

"Permitted Financial Indebtedness" means any Financial Indebtedness:

- (a) arising under the Finance Documents in respect of the Initial Bond Issue;
- (b) arising under any Credit Facility, subject to the terms set out herein;
- (c) arising under, or to the extent covered by, any guarantee, indemnity, bond, standby or documentary letter of credit or other similar instrument issued under any Revolving Credit Facility or any ancillary facility relating thereto;
- (d) arising under any Shareholder Loans made:
 - (i) on or prior to the Issue Date; or
 - (ii) after the Issue Date when no Event of Default is continuing or would result from the incurrence of any such Financial Indebtedness,

in each case, subject to the terms set out herein and a Subordination Agreement;

- (e) up to and including the date falling 3 months after the Issue Date and the redemption and discharge of the Existing Bonds as set out herein, in the form of the Existing Bonds;
- (f) arising under any loan or guarantee permitted by the definition of "Permitted Financial Support";
- (g) incurred by the Issuer after the Issue Date, provided that (i) it complies with the Incurrence Test if tested pro forma immediately after the incurrence of such new Financial Indebtedness and (ii) such Financial Indebtedness:
 - (A) is incurred as a result of a Tap Issue;
 - (B) ranks pari passu with the obligations of the Issuer under the Finance Documents and has a final maturity date (and, if applicable, instalment dates or early

redemption dates) which occurs no earlier than 12 months after the Maturity Date; or

(C) is incurred under a Subordinated Loan,

and, in each case, (1) provided further that no Event of Default is continuing or would result from the incurrence of any such Financial Indebtedness and (2) subject to the terms set out herein and, in the case of any such Subordinated Loan only, a Subordination Agreement;

- (h) in the form of any seller's credit, earn out, working capital adjustment or other similar arrangement for the adjustment of the purchase price (in each case) on normal commercial terms incurred by the Issuer in relation to any acquisition of any company, business, undertaking, shares or securities (or any interest in any of the foregoing) permitted by the terms hereof, provided that:
 - (iii) at least 60.00 per cent. of the total consideration payable by the Group in respect of such acquisition is paid in cash at the closing date of the acquisition; and
 - (iv) in the case of any such seller's credit only, it (A) has a final maturity date (and, if applicable, instalment dates or early redemption dates) which occurs no earlier than 6 months after the Maturity Date and (B) is otherwise subordinated to the obligations of the Issuer under the Finance Documents to an extent and in a manner acceptable to the Bond Trustee;
- (i) incurred under any advance or deferred purchase agreement on normal commercial terms by any Group Company towards any of its trading partners in the ordinary course of its trading activities;
- (j) in the form of any counter-indemnity granted by a Group Company in respect of any guarantee, indemnity, bond, standby or documentary letter of credit or other similar instrument issued by a bank or financial institution in respect of liabilities incurred by another Group Company in its ordinary course of business;
- (k) in the form of any Finance Lease, provided that the aggregate capital value of all items so leased or hired does not exceed the higher of (i) EUR 4,000,000 (or its equivalent in other currencies) and (ii) an amount equal to 10.00 per cent. of EBITDA, in each case, in aggregate for the Group at any time;
- (l) of any person acquired by a Group Company after the Issue Date (incurred prior to the closing date of the acquisition), provided that such Financial Indebtedness is repaid in full within 90 days of the date of such acquisition;
- (m) arising under any hedging or other derivative transaction for the protection against or benefit from the fluctuation in any rate or price entered into in the ordinary course of business by a Group Company and not for speculative purposes;
- (n) the proceeds of which shall be applied towards a refinancing of the Bonds in full, provided that such proceeds are held in a blocked escrow account which is not accessible to the Issuer or any other Group Company unless and until such refinancing of the Bonds (together with any accrued interest and any other amounts payable under the Finance Documents) takes place in full; or
- (o) not permitted by the preceding paragraphs and the outstanding amount of which does not exceed the higher of (i) EUR 10,000,000 (or its equivalent in other currencies) and (ii) an amount equal to 25.00 per cent. of EBITDA, in each case, in aggregate for the Group at any time.

"Permitted Financial Support" means:

- (a) any guarantee or indemnity in respect of any such Financial Indebtedness permitted under paragraph (l) of the definition of "Permitted Financial Indebtedness" granted (prior to the closing date of the acquisition) by any person acquired by a Group Company after the Issue Date, provided that such guarantee or indemnity is discharged and released in full upon the repayment of such Financial Indebtedness as set out therein;
- (b) any guarantee permitted under the definition of "Permitted Financial Indebtedness";

- (c) any loan or credit granted by any Group Company to another Group Company, and, in case the borrowing entity is the Issuer only, subject to the terms of a Subordination Agreement;
- (d) any trade credit extended by any Group Company to any of its customers, or any advance payment made by any Group Company to any of its suppliers or trading partners, in each case, on normal commercial terms and in the ordinary course of its trading activities;;
- (e) any performance or similar bond guaranteeing performance by any Group Company under any contract entered into in the ordinary course of business;
- (f) any guarantee given in respect of any netting or set-off arrangements permitted under paragraph (b) of the definition of "Permitted Security";
- (g) any indemnity given in the ordinary course of the documentation of an acquisition or disposal transaction permitted by the terms hereof, which indemnity is on normal commercial terms and subject to customary limitations;
- (h) any loan or credit in the form of any seller's credit, earn out, working capital adjustment or other similar arrangement for the adjustment of the purchase price (in each case) on normal commercial terms granted by any Group Company as part of any disposal permitted pursuant to Clause 13.4 (*Disposals*) (and where the aggregate amount of any such loans and credits falls within the limitations set out in paragraph (d)(ii)(A) of Clause 13.4 (*Disposals*));
- (i) any guarantee or counter-indemnity on normal commercial terms in respect of any lease of real property entered into by any Group Company;
- (j) any loan, credit or receivable granted under the Affiliate Financing; or
- (k) any loans, credits, guarantees or indemnities not permitted by the preceding paragraphs which do not (in total) exceed the higher of (i) EUR 5,000,000 (or its equivalent in other currencies) and (ii) an amount equal to 15.00 per cent. of EBITDA, in each case, in aggregate for the Group at any time.

"Permitted Security" means:

- (a) arising by operation of law and in the ordinary course of trading and not as a result of any default or omission by any Group Company;
- (b) in the form of any netting or set-off arrangement entered into by any Group Company for the purpose of netting debit and credit balances of Group Companies in the ordinary course of its banking arrangements;
- (c) in the form of rental deposits on normal commercial terms in respect of any lease of real property entered into by any Group Company;
- (d) arising as a consequence of any Finance Lease permitted pursuant to paragraph (k) of the definition of "Permitted Financial Indebtedness";
- (e) arising under any retention of title, hire purchase or conditional sale arrangement or arrangements having similar effect in respect of goods supplied to a Group Company in the ordinary course of trading and on the supplier's standard or usual terms and not arising as a result of any default or omission by any Group Company;
- (f) in respect of any such Financial Indebtedness permitted under paragraph (l) of the definition of "Permitted Financial Indebtedness" created (prior to the closing date of the acquisition) by any person acquired by a Group Company after the Issue Date, provided that such security is discharged and released in full upon the repayment of such Financial Indebtedness as set out therein;
- (g) affecting any asset acquired by any Group Company after the Issue Date, provided that such security is discharged and released in full within 90 days of such acquisition;

- (h) in the form of any payment or close out netting or set-off arrangement (excluding, for the avoidance of doubt, any credit support arrangement) pursuant to any hedging or other derivative transaction permitted under paragraph (m) of the definition of "Permitted Financial Indebtedness";
- (i) in the form of a pledge over an escrow account (or similar escrow arrangement) created in respect of such a refinancing in full of the Bonds as described in paragraph (n) of the definition of "Permitted Financial Indebtedness"; or
- (j) securing indebtedness the outstanding principal amount of which (when aggregated with the outstanding principal amount of any other indebtedness which has the benefit of security given by any Group Company other than any permitted under the preceding paragraphs) does not exceed the higher of (i) EUR 10,000,000 (or its equivalent in other currencies) and (ii) an amount equal to 25.00 per cent. of EBITDA, in each case, in aggregate for the Group at any time.

"Put Option" has the meaning ascribed to such term in Clause 10.3 (*Mandatory repurchase due to a Put Option Event*).

"Put Option Event" means the occurrence of a Change of Control.

"Put Option Repayment Date" means the settlement date for the Put Option pursuant to Clause 10.3 (*Mandatory repurchase due to a Put Option Event*).

"Quarter Date" means each of 31 March, 30 June, 30 September and 31 December.

"Relevant Jurisdiction" means the country in which the Bonds are issued, being Norway.

"Relevant Period" means each consecutive period of twelve months ending on or about the last day of each Financial Year and each consecutive period of twelve months ending on or about the last day of each Financial Quarter.

"Relevant Record Date" means the date on which a Bondholder's ownership of Bonds shall be recorded in the CSD as follows:

- (a) in relation to payments pursuant to these Bond Terms, the date designated as the Relevant Record Date in accordance with the rules of the CSD from time to time; or
- (b) for the purpose of casting a vote with regard to Clause 15 (*Bondholders' Decisions*), the date falling on the immediate preceding Business Day to the date of that Bondholders' decision being made, or another date as accepted by the Bond Trustee.

"Repayment Date" means any Call Option Repayment Date, the Default Repayment Date, any Put Option Repayment Date, the Tax Event Repayment Date or the Maturity Date.

"Revolving Credit Facility" means one or more revolving credit facilities made available to the Issuer for the purpose of financing the general corporate and working capital purposes of the Group, provided that the aggregate principal amount outstanding under all such Revolving Credit Facilities may not at any time exceed EUR 40,000,000 (or its equivalent in other currencies). Each Revolving Credit Facility may consist of one or more facilities (including any ancillary facility in the form of any overdraft facility, any guarantee, bonding, documentary or stand-by letter of credit facility, any short term loan facility, any derivatives facility, any foreign exchange facility or any other facility or accommodation required in connection with the business or operations of the Group) from one or more lenders, which shall rank *pari passu* between each other. No Revolving Credit Facility shall have the benefit of any guarantees or security.

"Securities Trading Act" means the Securities Trading Act of 2007 no. 75 of the Relevant Jurisdiction.

"Security" means a mortgage, charge, pledge, lien, security assignment or other security interest securing any obligation of any person or any other agreement or arrangement having a similar effect.

"Shareholder Loan" means any loan or credit made to the Issuer by any (direct or indirect) shareholder of the Issuer, provided that it is unsecured and subordinated to the obligations of the Issuer under the Finance Documents pursuant to the terms of a Subordination Agreement.

"Subordinated Loan" means any loan or credit made to the Issuer by any person (other than any (direct or indirect) shareholder of the Issuer or any Group Company), provided that it (a) is unsecured and subordinated to the obligations of the Issuer under the Finance Documents pursuant to the terms of a Subordination Agreement and (b) has a final maturity date (and, if applicable, instalment dates or early redemption dates) which occurs no earlier than 6 months after the Maturity Date.

"Subordination Agreement" means any subordination agreement to be made between the relevant of, among others, any (direct or indirect) shareholder of the Issuer, the Issuer, the relevant creditor(s) of the Issuer and the Bond Trustee (each of which shall be in form and content satisfactory to the Bond Trustee).

"Subsidiary" means a person over which another company has Decisive Influence.

"Summons" means the call for a Bondholders' Meeting or a Written Resolution as the case may be.

"T2" means the real time gross settlement system operated by the Eurosystem or any successor system.

"Tap Issue" has the meaning ascribed to such term in Clause 2.1 (Amount, denomination and ISIN of the Bonds).

"Tap Issue Addendum" has the meaning ascribed to such term in Clause 2.1 (Amount, denomination and ISIN of the Bonds).

"TARGET Day" means:

- (a) up until the date on which T2 becomes operational, any day on which the Trans-European Automated Real-time Gross Settlement Express Transfer payment system is open for the settlement of payments in EUR; and
- (b) from and including the date on which T2 becomes operational, T2.

"Tax Event Repayment Date" means the date set out in a notice from the Issuer to the Bondholders pursuant to Clause 10.4 (*Early redemption option due to a tax event*).

"Total Net Debt" means, at the relevant time, the aggregate amount of all obligations of the Group Companies for or in respect of Financial Indebtedness (other than such referred to in paragraph (f) of the definition of "Financial Indebtedness") but:

- (a) excluding any such obligations to any other Group Company;
- (b) excluding any such obligations in respect of any Shareholder Loans and (other than in the case of any Incurrence Test made for the purpose of incurring any such Subordinated Loan) any Subordinated Loans;
- (c) excluding any Bonds held by the Issuer;
- (d) including, in the case of any Finance Leases, their capitalised value; and
- (e) deducting the aggregate amount of any cash (which is unencumbered and freely and immediately available to any Group Company to be applied in redemption or repayment of the Bonds) and cash equivalents (which are unencumbered and freely and immediately available to be converted to such cash and applied in redemption or repayment of the Bonds) held by any Group Company at the time,

and so that no amount shall be included or excluded more than once.

"**Unsecured Facility**" means one or more credit facilities made available to the Issuer or any other Group Company for the purpose of financing the general corporate and working capital purposes of the Group, provided that the total principal amount outstanding under all such Unsecured Facilities may not at any time exceed EUR 15,000,000 (or its equivalent in other currencies) in aggregate for the Group.

"**Voting Bonds**" means the Outstanding Bonds less the Issuer's Bonds.

"**Written Resolution**" means a written (or electronic) solution for a decision making among the Bondholders, as set out in Clause 15.5 (*Written Resolutions*).

1.2 Construction

In these Bond Terms, unless the context otherwise requires:

- (a) headings are for ease of reference only;
- (b) words denoting the singular number will include the plural and vice versa;
- (c) references to Clauses are references to the Clauses of these Bond Terms;
- (d) references to a time are references to Central European Time unless otherwise stated;
- (e) references to a provision of "**law**" are a reference to that provision as amended or re-enacted, and to any regulations made by the appropriate authority pursuant to such law;
- (f) references to a "**regulation**" includes any regulation, rule, official directive, request or guideline by any official body;
- (g) references to a "**person**" means any individual, corporation, partnership, limited liability company, joint venture, association, joint-stock company, unincorporated organisation, government, or any agency or political subdivision thereof or any other entity, whether or not having a separate legal personality;
- (h) references to Bonds being "**redeemed**" means that such Bonds are cancelled and discharged in the CSD in a corresponding amount, and that any amounts so redeemed may not be subsequently re-issued under these Bond Terms;
- (i) references to Bonds being "**purchased**" or "**repurchased**" by the Issuer means that such Bonds may be dealt with by the Issuer as set out in Clause 11.1 (*Issuer's purchase of Bonds*);
- (j) references to persons "**acting in concert**" shall be interpreted pursuant to the relevant provisions of the Securities Trading Act; and
- (k) an Event of Default is "**continuing**" if it has not been remedied or waived.

2. THE BONDS

2.1 Amount, denomination and ISIN of the Bonds

- (a) The Issuer has resolved to issue a series of Bonds up to EUR 100,000,000 (the "**Maximum Issue Amount**"). The Bonds may be issued on different issue dates and the Initial Bond Issue will be in the amount of up to EUR 50,000,000.
- (b) The Issuer may, provided that the conditions set out in Clause 6.3 (*Tap Issues*) are met, at one or more occasions issue Additional Bonds (each a "**Tap Issue**") until the Nominal Amount of all Additional Bonds equals in aggregate the Maximum Issue Amount less the Initial Bond Issue. Each Tap Issue will be subject to identical terms as the Bonds issued pursuant to the Initial Bond Issue in all respects as set out in these Bond Terms, except that Additional Bonds may be issued at a different price than for the Initial Bond Issue and which may be below or above the Nominal

Amount. The Bond Trustee shall prepare an addendum to these Bond Terms evidencing the terms of each Tap Issue (a "**Tap Issue Addendum**").

- (c) The Bonds are denominated in EUR.
- (d) The Initial Nominal Amount of each Bond is EUR 1,000.
- (e) The ISIN of the Bonds is set out on the front page. These Bond Terms apply with identical terms and conditions to (i) all Bonds issued under this ISIN and (ii) any Overdue Amounts issued under one or more separate ISIN in accordance with the regulations of the CSD from time to time.
- (f) Holders of Overdue Amounts related to interest claims will not have any other rights under these Bond Terms than their claim for payment of such interest claim which claim shall be subject to paragraph (b) of Clause 15.1 (*Authority of the Bondholders' Meeting*).

2.2 Tenor of the Bonds

The tenor of the Bonds is from and including the Issue Date to but excluding the Maturity Date.

2.3 Use of proceeds

- (a) The Issuer will use the proceeds from the Initial Bond Issue towards:
 - (v) acquiring, redeeming and discharging the Existing Bonds;
 - (vi) the general corporate and working capital purposes of the Group (other than any Distributions); and
 - (vii) financing any interest, premiums, fees, costs and expenses incurred by the Group in respect of any such transactions or that part of the Bonds.
- (b) The Issuer will use the proceeds from the issuance of any Additional Bonds as set out in the relevant Tap Issue Addendum.

2.4 Status of the Bonds

The Bonds shall constitute senior debt obligations of the Issuer and rank:

- (a) *pari passu* between themselves;
- (b) at least *pari passu* with all other obligations of the Issuer, save for such obligations which are preferred by bankruptcy, insolvency, liquidation or other similar laws of general application; and
- (c) ahead of any subordinated debt.

2.5 Unsecured

The Bonds are unsecured.

3. THE BONDHOLDERS

3.1 Bond Terms binding on all Bondholders

- (a) By virtue of being registered as a Bondholder (directly or indirectly) with the CSD, the Bondholders are bound by these Bond Terms and any other Finance Document, without any further action required to be taken or formalities to be complied with by the Bond Trustee, the Bondholders, the Issuer or any other party.
- (b) The Bond Trustee is always acting with binding effect on behalf of all the Bondholders.

3.2 Limitation of rights of action

- (a) No Bondholder is entitled to take any enforcement action, instigate any insolvency procedures or take other legal action against the Issuer or any other party in relation to any of the liabilities of the Issuer or any other party under or in connection with the Finance Documents, other than through the Bond Trustee and in accordance with these Bond Terms, provided, however, that the Bondholders shall not be restricted from exercising any of their individual rights derived from these Bond Terms, including the right to exercise the Put Option.
- (b) Each Bondholder shall immediately upon request by the Bond Trustee provide the Bond Trustee with any such documents, including a written power of attorney (in form and substance satisfactory to the Bond Trustee), as the Bond Trustee deems necessary for the purpose of exercising its rights and/or carrying out its duties under the Finance Documents. The Bond Trustee is under no obligation to represent a Bondholder which does not comply with such request.

3.3 Bondholders' rights

- (a) If a beneficial owner of a Bond not being registered as a Bondholder wishes to exercise any rights under the Finance Documents, it must obtain proof of ownership of the Bonds, acceptable to the Bond Trustee.
- (b) A Bondholder (whether registered as such or proven to the Bond Trustee's satisfaction to be the beneficial owner of the Bond as set out in paragraph (a) above) may issue one or more powers of attorney to third parties to represent it in relation to some or all of the Bonds held or beneficially owned by such Bondholder. The Bond Trustee shall only have to examine the face of a power of attorney or similar evidence of authorisation that has been provided to it pursuant to this Clause 3.3 and may assume that it is in full force and effect, unless otherwise is apparent from its face or the Bond Trustee has actual knowledge to the contrary.

4. ADMISSION TO LISTING

The Issuer shall:

- (a) use reasonable endeavours to ensure that the Bonds are listed on the Frankfurt Open Market as soon as practically possible and in any event within 10 days of the Issue Date; and
- (b) ensure that the Bonds are listed on Nordic ABM within 6 months of the Issue Date.

5. REGISTRATION OF THE BONDS

5.1 Registration in the CSD

The Bonds shall be registered in dematerialised form in the CSD according to the relevant securities registration legislation and the requirements of the CSD.

5.2 Obligation to ensure correct registration

The Issuer will at all times ensure that the registration of the Bonds in the CSD is correct and shall immediately upon any amendment or variation of these Bond Terms give notice to the CSD of any such amendment or variation.

5.3 Country of issuance

The Bonds have not been issued under any other country's legislation than that of the Relevant Jurisdiction. Save for the registration of the Bonds in the CSD, the Issuer is under no obligation to register, or cause the registration of, the Bonds in any other registry or under any other legislation than that of the Relevant Jurisdiction.

6. CONDITIONS FOR DISBURSEMENT

6.1 Conditions precedent for disbursement to the Issuer

- (a) Payment of the Net Proceeds from the issuance of the Bonds to the Issuer shall be conditional on the Bond Trustee having received not less than two Business Days prior to the Issue Date (or such later date as the Bond Trustee may agree (and subject to any Closing Procedure)), each of the following documents, in form and substance satisfactory to the Bond Trustee:
- (i) these Bond Terms, duly executed by all parties hereto;
 - (ii) copies of the constitutional documents of the Issuer;
 - (iii) copies of all corporate resolutions and authorisations of the Issuer required to issue the Bonds and execute the Finance Documents to which it is or shall become a party;
 - (iv) a copy of the register of shareholders of the Issuer;
 - (v) copies of the Issuer's latest Financial Reports;
 - (vi) confirmation that the applicable prospectus requirements (ref. Regulation (EU) 2017/1129) concerning the issuance of the Bonds have been fulfilled;
 - (vii) copies of any necessary governmental approval, consent or waiver (as the case may be) required at such time to issue the Bonds;
 - (viii) confirmation that the Bonds are registered in CSD (by obtaining an ISIN for the Bonds);
 - (ix) copies of any written documentation used in marketing the Bonds or made public by the Issuer or the Manager in connection with the issuance of the Bonds;
 - (x) the Bond Trustee Fee Agreement, duly executed by the parties thereto;
 - (xi) a duly executed release notice from the Issuer;
 - (xii) a written confirmation from the Issuer that no Event of Default is continuing or would result from the Disbursement;
 - (xiii) copies of documents evidencing the terms of any Shareholder Loans existing at the time of, or arising in connection with, the Disbursement, each duly executed by the parties thereto;
 - (xiv) any relevant Subordination Agreement, duly executed by the parties thereto; and
 - (xv) legal opinions or other statements as may be required by the Bond Trustee (including in respect of corporate matters relating to the Issuer or the legality, validity and enforceability of the Finance Documents).
- (b) The Bond Trustee may (at its sole discretion and in each case) waive or postpone the delivery of one or more such conditions precedent.

6.2 Disbursement of the proceeds

Disbursement of the proceeds from the issuance of the Bonds is conditional on the Bond Trustee's confirmation to the Paying Agent that the conditions in Clause 6.1 (*Conditions precedent for disbursement to the Issuer*) have been either satisfied in the Bond Trustee's discretion or waived by the Bond Trustee pursuant to paragraph (b) of Clause 6.1 (*Conditions precedent for disbursement to the Issuer*).

6.3 Settlement procedure

- (a) When subscribing for Bonds any holder of any Existing Bonds may elect to offer to exchange such Existing Bonds with Bonds (on a bond-for-bond basis and therefore valued at their respective nominal amounts), and such exchange offer shall be dealt with and decided upon by the Manager as part of its allocation of Bonds to the subscribers. To the extent that any such exchange offer is accepted by the Manager, the subscription price for such Bonds will not be settled in cash (as would be the case for Bonds in respect of which no such roll-over takes place), but in kind by way of returning such Existing Bonds to the Issuer (or any person acting on its behalf for such purpose) for redemption and discharge in accordance with the Existing Bond Terms as set out herein.
- (b) Any subscribers who exchange any Existing Bonds with any Bonds as set out above, will be entitled to receive a roll-over fee equal to 0.23 per cent. of the nominal amount of such Existing Bonds (which is equal to the call premium that would have been payable under the Existing Bond Terms in respect of such Existing Bonds had such Existing Bonds been redeemed and discharged pursuant to the call option set out in the Existing Bond Terms at the relevant date), to be paid in cash by the Issuer to such subscribers at the Issue Date.

6.4 Tap Issues

The Issuer may issue Additional Bonds if:

- (a) a Tap Issue Addendum has been duly executed by all parties thereto;
- (b) the representations and warranties contained in Clause 7 (*Representations and Warranties*) of these Bond Terms are true and correct in all material respects and repeated by the Issuer as at the date of issuance of such Additional Bonds; and
- (c) the Issuer meets the Incurrence Test tested pro forma including the new Financial Indebtedness incurred as a result of issuing such Additional Bonds.

7. REPRESENTATIONS AND WARRANTIES

The Issuer makes the representations and warranties set out in this Clause 7 (*Representations and Warranties*), in respect of itself and each Group Company to the Bond Trustee (on behalf of the Bondholders) at the following times and with reference to the facts and circumstances then existing:

- (a) on the date of these Bond Terms;
- (b) on the Issue Date; and
- (c) at each date of issuance of any Additional Bonds.

7.1 Status

It is a limited liability company, duly incorporated and validly existing and registered under the laws of its jurisdiction of incorporation, and has the power to own its assets and carry on its business as it is being conducted.

7.2 Power and authority

It has the power to enter into, perform and deliver, and has taken all necessary action to authorise its entry into, performance and delivery of, these Bond Terms and any other Finance Document to which it is a party and the transactions contemplated by those Finance Documents.

7.3 Valid, binding and enforceable obligations

These Bond Terms and each other Finance Document to which it is a party constitutes (or will constitute, when executed by the respective parties thereto) its legal, valid and binding obligations, enforceable in accordance with their respective terms, and (save as provided for therein) no further

registration, filing, payment of tax or fees or other formalities are necessary or desirable to render the said documents enforceable against it.

7.4 Non-conflict with other obligations

The entry into and performance by it of these Bond Terms and any other Finance Document to which it is a party and the transactions contemplated thereby do not and will not conflict with (i) any law or regulation or judicial or official order; (ii) its constitutional documents; or (iii) any agreement or instrument which is binding upon it or any of its assets.

7.5 No Event of Default

- (a) No Event of Default exists or is likely to result from the making of any disbursement of proceeds or the entry into, the performance of, or any transaction contemplated by, any Finance Document.
- (b) No other event or circumstance has occurred which constitutes (or with the expiry of any grace period, the giving of notice, the making of any determination or any combination of any of the foregoing, would constitute) a default or termination event (howsoever described) under any other agreement or instrument which is binding on it or any of its Subsidiaries or to which its (or any of its Subsidiaries') assets are subject which has or is likely to have a Material Adverse Effect.

7.6 Authorisations and consents

All authorisations, consents, approvals, resolutions, licences, exemptions, filings, notarisations or registrations required:

- (a) to enable it to enter into, exercise its rights and comply with its obligations under these Bond Terms or any other Finance Document to which it is a party; and
 - (b) to carry on its business as presently conducted and as contemplated by these Bond Terms,
- have been obtained or effected and are in full force and effect.

7.7 Litigation

No litigation, arbitration or administrative proceedings or investigations of or before any court, arbitral body or agency which, if adversely determined, is likely to have a Material Adverse Effect have (to the best of its knowledge and belief) been started or threatened against it or any of its Subsidiaries.

7.8 Financial Reports

Its most recent Financial Reports fairly and accurately represent the assets and liabilities and financial condition as at their respective dates, and have been prepared in accordance with the Accounting Standard, consistently applied.

7.9 No Material Adverse Effect

Since the date of the most recent Financial Reports, there has been no change in its business, assets or financial condition that is likely to have a Material Adverse Effect.

7.10 No misleading information

Any factual information provided by it to the Bondholders or the Bond Trustee for the purposes of the issuance of the Bonds was true and accurate in all material respects as at the date it was provided or as at the date (if any) at which it is stated.

7.11 No withholdings

The Issuer is not required to make any deduction or withholding from any payment which it may become obliged to make to the Bond Trustee or the Bondholders under the Finance Documents.

7.12 Pari passu ranking

Its payment obligations under these Bond Terms or any other Finance Document to which it is a party ranks as set out in Clause 2.4 (*Status of the Bonds*).

7.13 Security

No Security exists over any of the present assets of any Group Company in conflict with these Bond Terms.

8. PAYMENTS IN RESPECT OF THE BONDS

8.1 Covenant to pay

- (a) The Issuer will unconditionally make available to or to the order of the Bond Trustee and/or the Paying Agent all amounts due on each Payment Date pursuant to the terms of these Bond Terms at such times and to such accounts as specified by the Bond Trustee and/or the Paying Agent in advance of each Payment Date or when other payments are due and payable pursuant to these Bond Terms.
- (b) All payments to the Bondholders in relation to the Bonds shall be made to each Bondholder registered as such in the CSD on the Relevant Record Date, by, if no specific order is made by the Bond Trustee, crediting the relevant amount to the bank account nominated by such Bondholder in connection with its securities account in the CSD.
- (c) Payment constituting good discharge of the Issuer's payment obligations to the Bondholders under these Bond Terms will be deemed to have been made to each Bondholder once the amount has been credited to the bank holding the bank account nominated by the Bondholder in connection with its securities account in the CSD. If the paying bank and the receiving bank are the same, payment shall be deemed to have been made once the amount has been credited to the bank account nominated by the Bondholder in question.
- (d) If a Payment Date or a date for other payments to the Bondholders pursuant to the Finance Documents falls on a day on which either of the relevant CSD settlement system or the relevant currency settlement system for the Bonds are not open, the payment shall be made on the first following possible day on which both of the said systems are open, unless any provision to the contrary has been set out for such payment in the relevant Finance Document.

8.2 Default interest

- (a) Default interest will accrue on any Overdue Amount from and including the Payment Date on which it was first due to and excluding the date on which the payment is made at the Interest Rate plus 2.00 percentage points per annum.
- (b) Default interest accrued on any Overdue Amount pursuant to this Clause 8.2 will be added to the Overdue Amount on each Interest Payment Date until the Overdue Amount and default interest accrued thereon have been repaid in full.
- (c) From and including the occurrence of a Listing Failure Event and for as long as such Listing Failure Event is continuing, the interest on any principal amount outstanding under these Bonds Terms will accrue at the Interest Rate plus 1.00 percentage point per annum.

8.3 Partial Payments

- (a) If the Paying Agent or the Bond Trustee receives a Partial Payment, such Partial Payment shall, in respect of the Issuer's debt under the Finance Documents be considered made for discharge of the debt of the Issuer in the following order of priority:
 - (i) firstly, towards any outstanding fees, liabilities and expenses of the Bond Trustee;
 - (ii) secondly, towards accrued interest due but unpaid; and

- (iii) thirdly, towards any other outstanding amounts due but unpaid under the Finance Documents.
- (b) Notwithstanding paragraph (a) above, any Partial Payment which is distributed to the Bondholders, shall, after the above mentioned deduction of outstanding fees, liabilities and expenses, be applied (i) firstly towards any principal amount due but unpaid and (ii) secondly, towards accrued interest due but unpaid, in the following situations:
 - (i) if the Bond Trustee has served a Default Notice in accordance with Clause 14.2 (*Acceleration of the Bonds*); or
 - (ii) if a resolution according to Clause 15 (*Bondholders' Decisions*) has been made.

8.4 Taxation

- (a) The Issuer shall pay any stamp duty and other public fees accruing in connection with the Bonds or the Finance Documents, but not in respect of trading of the Bonds in the secondary market (except to the extent required by any applicable law).
- (b) The Issuer shall, if any tax is withheld in respect of the Bonds or the Finance Documents:
 - (i) gross up the amount of the payment due from the Issuer up to such amount which is necessary to ensure that the Bondholders or the Bond Trustee (as the case may be) receive a net amount which is (after making the required withholding) equal to the payment which would have been received if no withholding had been required; and
 - (ii) at the request of the Bond Trustee, deliver to the Bond Trustee evidence that the required tax deduction or withholding has been made.
- (c) Any public fees levied on the trade of Bonds in the secondary market shall be paid by the Bondholders, unless otherwise provided by law or regulation, and the Issuer shall not be responsible for reimbursing any such fees.
- (d) The Bond Trustee shall not have any responsibility to obtain information about the Bondholders relevant for the tax obligations pursuant to these Bond Terms.

8.5 Currency

- (a) All amounts payable under the Finance Documents shall be payable in the Bond Currency. If, however, the Bond Currency differs from the currency of the bank account connected to the Bondholder's account in the CSD, any cash settlement may be exchanged and credited to this bank account.
- (b) Any specific payment instructions, including foreign exchange bank account details, to be connected to the Bondholder's account in the CSD must be provided by the relevant Bondholder to the Paying Agent (either directly or through its account manager in the CSD) within five Business Days prior to a Payment Date. Depending on any currency exchange settlement agreements between each Bondholder's bank and the Paying Agent, and opening hours of the receiving bank, cash settlement may be delayed, and payment shall be deemed to have been made once the cash settlement has taken place, provided, however, that no default interest or other penalty shall accrue for the account of the Issuer for such delay.

8.6 Set-off and counterclaims

The Issuer may not apply or perform any counterclaims or set-off against any payment obligations pursuant to these Bond Terms or any other Finance Document.

9. INTEREST

9.1 Calculation of interest

- (a) Each Outstanding Bond will accrue interest at the Interest Rate on the Nominal Amount for each Interest Period, commencing on and including the first date of the Interest Period, and ending on but excluding the last date of the Interest Period.
- (b) Any Additional Bond will accrue interest at the Interest Rate on the Nominal Amount commencing on the first date of the Interest Period in which the Additional Bonds are issued and thereafter in accordance with paragraph (a) above.
- (c) Interest shall be calculated on the basis of a 360-day year comprised of twelve months of 30 days each (30/360-days basis), unless:
 - (i) the last day in the relevant Interest Period is the 31st calendar day but the first day of that Interest Period is a day other than the 30th or the 31st day of a month, in which case the month that includes that last day shall not be shortened to a 30-day month; or
 - (ii) the last day of the relevant Interest Period is the last calendar day in February, in which case February shall not be lengthened to a 30-day month.

9.2 Payment of interest

Interest shall fall due on each Interest Payment Date for the corresponding preceding Interest Period and, with respect to accrued and unpaid interest on the principal amount then due and payable, on each Repayment Date.

10. REDEMPTION AND REPURCHASE OF BONDS

10.1 Redemption of Bonds

The Outstanding Bonds will mature in full on the Maturity Date and shall be redeemed by the Issuer on the Maturity Date at a price equal to 100.00 per cent. of the Nominal Amount.

10.2 Voluntary early redemption - Call Option

- (a) The Issuer may redeem all or some of the Outstanding Bonds (the "**Call Option**") on any Business Day from and including:
 - (i) the Issue Date to, but not including, the First Call Date at a price equal to the Make Whole Amount;
 - (ii) the First Call Date to, but not including, the Interest Payment Date falling 36 months after the Issue Date at a price equal to *[100.00 per cent. plus 50.00 per cent. of the Interest Rate]* per cent. of the Nominal Amount of the redeemed Bonds;
 - (iii) the Interest Payment Date falling 36 months after the Issue Date to, but not including, the Interest Payment Date falling 42 months after the Issue Date at a price equal to *[100.00 per cent. plus 35.00 per cent. of the Interest Rate]* per cent. of the Nominal Amount of the redeemed Bonds;
 - (iv) the Interest Payment Date falling 42 months after the Issue Date to, but not including, the Interest Payment Date falling 48 months after the Issue Date at a price equal to *[100.00 per cent. plus 20.00 per cent. of the Interest Rate]* per cent. of the Nominal Amount of the redeemed Bonds;
 - (v) the Interest Payment Date falling 48 months after the Issue Date to, but not including, the Interest Payment Date falling 54 months after the Issue Date at a price equal to *[100.00 per cent. plus 5.00 per cent. of the Interest Rate]* per cent. of the Nominal Amount of the redeemed Bonds;

- (vi) the Interest Payment Date falling 54 months after the Issue Date to, but not including, the Maturity Date at a price equal to the Nominal Amount of the redeemed Bonds,

and each of the respective call prices set out in the preceding paragraphs, shall be referred to as a "**Call Price**".

- (b) Any accrued and unpaid interest on the Bonds being redeemed shall be paid together with the redeemed Bonds.
- (c) The Call Option may be exercised by the Issuer by written notice to the Bond Trustee at least 10 Business Days prior to the applicable Call Option Repayment Date. Any such notice (i) shall be irrevocable, (ii) shall specify the applicable Call Option Repayment Date and (iii) may, at the Issuer's discretion, be subject to the satisfaction of one or more conditions precedent which shall be satisfied at least three Business Days prior to such Repayment Date (and, if any such conditions precedent have not been satisfied or waived within such time, such Call Option shall automatically be cancelled). Unless the Make Whole Amount is set out in the written notice where the Issuer exercises the Call Option, the Issuer shall calculate the Make Whole Amount and provide such calculation by written notice to the Bond Trustee as soon as possible and at the latest within three Business Days from the date of the notice.
- (d) The applicable Call Price shall be determined based on the relevant Call Option Repayment Date and not on the date the Issuer exercised the relevant Call Option as described above.
- (e) If any redemption of the Bonds is made in part, such redemption shall be applied pro rata between the Bondholders in accordance with the procedures of CSD.

10.3 Mandatory repurchase due to a Put Option Event

- (a) Upon the occurrence of a Put Option Event, each Bondholder will have the right (the "**Put Option**") to require that the Issuer purchases all or some of the Bonds held by that Bondholder at a price equal to 101.00 per cent. of the Nominal Amount.
- (b) The Put Option must be exercised within 15 Business Days after the Issuer has given notice to the Bond Trustee and the Bondholders that a Put Option Event has occurred pursuant to Clause 12.3 (*Put Option Event*). Once notified, the Bondholders' right to exercise the Put Option is irrevocable.
- (c) Each Bondholder may exercise its Put Option by written notice to its account manager for the CSD, who will notify the Paying Agent of the exercise of the Put Option. The Put Option Repayment Date will be the 5th Business Day after the end of 15 Business Days exercise period referred to in paragraph (b) above. However, the settlement of the Put Option will be based on each Bondholders holding of Bonds at the Put Option Repayment Date.
- (d) If Bonds representing more than 90 per cent. of the Outstanding Bonds have been purchased pursuant to this Clause 10.3, the Issuer is entitled to purchase all the remaining Outstanding Bonds at the price stated in paragraph (a) above by notifying the remaining Bondholders of its intention to do so no later than 10 Business Days after the Put Option Repayment Date. Such notice sent by the Issuer is irrevocable and shall specify the Call Option Repayment Date.

10.4 Early redemption option due to a tax event

If the Issuer is or will be required to gross up any withheld tax imposed by law from any payment in respect of the Bonds under the Finance Documents pursuant to Clause 8.4 (*Taxation*) as a result of a change in applicable law implemented after the date of these Bond Terms, the Issuer will have the right to redeem all, but not only some, of the Outstanding Bonds at a price equal to 100 per cent. of the Nominal Amount. The Issuer shall give written notice of such redemption to the Bond Trustee and the Bondholders at least 20 Business Days prior to the Tax Event Repayment Date, provided that no such notice shall be given earlier than 40 Business Days prior to the earliest date on which the Issuer would be obliged to withhold such tax were a payment in respect of the Bonds then due.

11. PURCHASE AND TRANSFER OF BONDS

11.1 Issuer's purchase of Bonds

The Issuer may purchase and hold Bonds and such Bonds may be retained or sold (but not discharged) in the Issuer's sole discretion, including with respect to Bonds purchased pursuant to Clause 10.3 (*Mandatory repurchase due to a Put Option Event*).

11.2 Restrictions

- (a) Certain purchase or selling restrictions may apply to Bondholders under applicable local laws and regulations from time to time. Neither the Issuer nor the Bond Trustee shall be responsible for ensuring compliance with such laws and regulations and each Bondholder is responsible for ensuring compliance with the relevant laws and regulations at its own cost and expense.
- (b) A Bondholder who has purchased Bonds in breach of applicable restrictions may, notwithstanding such breach, benefit from the rights attached to the Bonds pursuant to these Bond Terms (including, but not limited to, voting rights), provided that the Issuer shall not incur any additional liability by complying with its obligations to such Bondholder.

12. INFORMATION UNDERTAKINGS

12.1 Financial Reports

The Issuer shall prepare:

- (a) its Annual Financial Statements and make them available as soon as they become available and, in any event, not later than four months after the end of each of its Financial Years; and
- (b) its Interim Accounts and make them available as soon as they become available and, in any event, not later than two months after the end of each Financial Quarter (other than each Financial Quarter ending on 31 December) of each of its Financial Years, for the first time for the first Financial Quarter to end after the Issue Date,

in each case, in the English language and make them available on its website or another relevant information platform.

12.2 Requirements as to Financial Reports

- (a) The Issuer shall supply a Compliance Certificate signed by the chief executive officer or the chief financial officer of the Issuer to the Bond Trustee:
 - (i) in respect of each Financial Report to be made available pursuant to the terms hereof, promptly upon the making available of such Financial Report; and
 - (ii) in respect of each Incurrence Test to be made pursuant to the terms hereof, promptly upon the making of that Incurrence Test (which shall contain figures and calculations evidencing (in reasonable detail) compliance with the relevant Incurrence Test).
- (b) The Bond Trustee may make any such Compliance Certificate available to the Bondholders.
- (c) Each set of such Financial Reports delivered pursuant to Clause 12.1 (*Financial Reports*) shall be prepared in accordance with the Accounting Standard consistently applied (unless expressly disclosed to the Bond Trustee in writing to the contrary).

12.3 Put Option Event

The Issuer shall promptly inform the Bond Trustee in writing after becoming aware that a Put Option Event has occurred.

12.4 Listing Failure Event

The Issuer shall promptly inform the Bond Trustee in writing if a Listing Failure Event has occurred. However, no Event of Default shall occur if the Issuer fails (i) to list the Bonds in accordance with Clause 4 (*Admission to Listing*) or (ii) to inform of such Listing Failure Event, and such failure shall result in the accrual of default interest in accordance with paragraph (c) of Clause 8.2 (*Default interest*) for as long as such Listing Failure Event is continuing.

12.5 Information: Miscellaneous

The Issuer shall:

- (a) promptly inform the Bond Trustee in writing of any Event of Default or any event or circumstance which the Issuer understands or could reasonably be expected to understand may lead to an Event of Default and the steps, if any, being taken to remedy it;
- (b) at the request of the Bond Trustee, report the balance of the Issuer's Bonds (to the best of its knowledge, having made due and appropriate enquiries);
- (c) send the Bond Trustee copies of any statutory notifications of the Issuer, including but not limited to in connection with mergers, de-mergers and reduction of the Issuer's share capital or equity;
- (d) if the Bonds are listed on an Exchange, send a copy to the Bond Trustee of its notices to the Exchange;
- (e) if the Issuer and/or the Bonds are rated, inform the Bond Trustee of its and/or the rating of the Bonds, and any changes to such rating;
- (f) inform the Bond Trustee of changes in the registration of the Bonds in the CSD; and
- (g) within a reasonable time, provide such information about the Issuer's and the Group's business, assets and financial condition as the Bond Trustee may reasonably request.

13. GENERAL AND FINANCIAL UNDERTAKINGS

The Issuer undertakes to (and shall, where applicable, procure that the other Group Companies will) comply with the undertakings set forth in this Clause 13.

13.1 Distributions

The Issuer shall not, and it shall ensure that no other Group Company will, make any Distribution other than any Permitted Distribution.

13.2 Mergers, demergers and other corporate reconstruction

The Issuer shall not, and it shall ensure that no other Group Company will, enter into any amalgamation, merger, demerger, consolidation, liquidation or other corporate reconstruction (for the purpose of this Clause 13.2 only, each a "reorganisation") other than:

- (a) any disposal permitted pursuant to Clause 13.4 (*Disposals*) below; or
- (b) any solvent reorganisation of any Group Company (other than the Issuer), provided that:
 - (i) any payments or assets distributed as a result of such reorganisation are distributed to another Group Company;
 - (ii) such reorganisation would not have a Material Adverse Effect; and
 - (iii) no Event of Default is continuing or would result from such reorganisation.

13.3 Acquisitions

The Issuer shall not, and it shall ensure that no other Group Company will, acquire any company, business, undertaking, shares or securities or any interest in any of the foregoing unless it is made at fair market value, on normal commercial terms and would not have a Material Adverse Effect.

13.4 Disposals

The Issuer shall not, and it shall ensure that no other Group Company will, sell, transfer or otherwise dispose of any asset (for the purpose of this Clause 13.4 only, each a "disposal") other than:

- (a) any disposal of products, services or current assets in the ordinary course of business of the disposing Group Company;
- (b) any disposal of obsolete or redundant vehicles, plant and equipment for cash;
- (c) in the form of any non-recourse factoring facility or arrangement entered into on normal commercial terms by any Group Company; or
- (d) any other disposal which is made:
 - (i) to another Group Company on arm's length terms; or
 - (ii) to a person not being another Group Company, which is carried out at fair market value, on normal commercial terms and would not have a Material Adverse Effect, provided that:
 - (A) at least 60.00 per cent. of the total consideration payable to the Group in respect of such disposal is (1) paid in cash and/or (2) settled by way of issuance or transfer of shares or other ownership interests in the person to which the disposal is made (or any Affiliate thereof), in each case, at the date of disposal; and
 - (B) an amount equal to the total net proceeds received by the Group from such disposal (excluding, for the purpose of the calculation thereof, any such shares or other ownership interests referred to in paragraph (d)(ii)(A) above) is applied within 18 months of receipt:
 - (1) towards the acquisition of any non-current assets (from any third party) required to uphold or develop the business or operations of the Group; or
 - (2) towards the prepayment, repayment, redemption or repurchase of:
 - (AA) Bonds at a price equal to the Call Price that would have applied if such redemption had taken place by way of a Call Option at such time (plus accrued and unpaid interest on the redeemed Bonds, and in case of any partial redemption of the Bonds, such redemption shall be applied pro rata between the Bondholders in accordance with the procedures of CSD); or
 - (BB) any Financial Indebtedness ranking *pari passu* to the obligations of the Issuer under the Finance Documents (and, in case such Financial Indebtedness is a revolving credit facility or an overdraft facility, with a corresponding cancellation of that facility so as to ensure that such amount may not be redrawn under that facility (and the same shall apply to any replacement thereof)), provided that such prepayment, repayment, redemption or repurchase would not have a Material Adverse Effect and that Bonds are redeemed on a proportionate basis at the same time at a price equal the Call Price that would have applied if such redemption had

taken place by way of a Call Option at such time (plus accrued and unpaid interest on the redeemed Bonds, and in case of any partial redemption of the Bonds, such redemption shall be applied pro rata between the Bondholders in accordance with the procedures of CSD),

provided further that the requirements set out in paragraph (d)(ii)(B) above shall only apply if and to the extent the aggregate net proceeds from such disposal (either singly or together with a series of related disposals made by any Group Companies) equal or exceed EUR 15,000,000 (or its equivalent in other currencies).

13.5 Financial Indebtedness

The Issuer shall not, and it shall ensure that no other Group Company will, incur or maintain any Financial Indebtedness other than any Permitted Financial Indebtedness.

13.6 Negative pledge

The Issuer shall not, and it shall ensure that no other Group Company will, create or allow to subsist any security over any of its assets other than any Permitted Security.

13.7 Financial Support

The Issuer shall not, and it shall ensure that no other Group Company will, grant or allow to subsist (i) any loans or credits to any other person or (ii) any guarantees or indemnities in respect of any obligation of any other person, in each case other than any Permitted Financial Support.

13.8 Share issues

The Issuer shall ensure that no other Group Company will issue any shares, other than:

- (a) to another Group Company;
- (b) to any existing minority shareholders of that Group Company, provided that such shares are issued pro rata to the shareholders of that Group Company on the basis of their respective ownership prior to such share issue; or
- (c) with respect to any shares issued by Funkwerk AG only, to any person, provided that the Group Companies retains Decisive Influence over Funkwerk AG.

13.9 Continuation of business

The Issuer shall ensure that no substantial change is made to the general nature of the business carried on by it or the Group as of the Issue Date.

13.10 Corporate status

The Issuer shall not change its type of organisation or jurisdiction of incorporation, provided that the Issuer may change its type of organisation to a public company (*Aktiengesellschaft* (AG), *Societas Europaea* (SE) or *Kommanditgesellschaft auf Aktien* (KGaA)), but only if (i) such change would not be detrimental to the rights or the interests of the Bond Trustee or the Bondholders under these Bond Terms or the other Finance Documents, (ii) these Bond Terms and the other Finance Documents continue to constitute valid, legal, binding and enforceable obligations of the Issuer in accordance with their respective terms both during and after the implementation of such change (and, to the extent required by the Bond Trustee, this is confirmed in a legal opinion (in form and content satisfactory to it) provided to and in favour of the Bond Trustee (on behalf of itself and the Bondholders)) and (iii) no Event of Default is continuing or would result from such change.

13.11 Centre of main interests (COMI)

For the purposes of any applicable laws and regulations relating to insolvency proceedings or any similar proceedings, the Issuer shall not change its centre of main interests (COMI).

13.12 Holding company

The Issuer shall not trade, carry on any business or own any material assets, except for (i) the provision of administrative or advisory services to other Group Companies of a type customarily provided by a holding company to its Subsidiaries, (ii) the acquisition and ownership of shares in any company, bank accounts, cash and cash equivalents and (iii) the granting of any loan or credit to other Group Companies.

13.13 Authorisations

The Issuer shall, and it shall ensure that each other Group Company will, obtain, renew and in all material respects comply with, and do all that is necessary to maintain in full force and effect, any licence, authorisation or other consent required to enable it to carry on its business.

13.14 Insurances

The Issuer shall, and it shall ensure that each other Group Company will, maintain insurances on and in relation to its business and assets against those risks and to the extent as is usual for companies carrying on the same or substantially similar business.

13.15 Arm's length transactions

Notwithstanding any other provision set out herein, the Issuer shall not, and it shall ensure that no other Group Company will, enter into any transaction with any other person other than on arm's length terms.

13.16 Compliance with laws

The Issuer shall, and it shall ensure that each other Group Company will, comply in all material respects with all laws and regulations (including, without limitation, any environmental laws, anti-money laundering and anti-corruption laws and sanctions) to which it may be subject at any time.

13.17 Subordinated Loans

Subject to the terms of a Subordination Agreement, the Issuer shall not, and it shall ensure that no other Group Company will, (a) repay or prepay any principal amount (or capitalised interest) outstanding under any Subordinated Loan, (b) pay any interest, fee or charge accrued or due under any Subordinated Loan or (c) purchase, redeem, defease or discharge any amount outstanding under any Subordinated Loan.

13.18 Pari passu ranking

The Issuer shall ensure that at all times any unsecured and unsubordinated claims of the Bond Trustee and the Bondholders under the Finance Documents rank at least *pari passu* with the claims of all its other unsecured and unsubordinated creditors except those creditors whose claims are mandatorily preferred by laws of general application to companies.

13.19 Redemption and discharge of Existing Bonds

The Issuer shall ensure that all the Existing Bonds:

- (a) have been called by the Issuer by exercising the call option under and pursuant to the Existing Bond Terms no later than 30 September 2023; and

- (b) have been redeemed and discharged in full no later than on the date falling 3 months after the Issue Date (and that any other amount payable in respect thereof have been paid to the holders of such Existing Bonds).

13.20 Incurrence Test

The "**Incurrence Test**" is met if Leverage is less than 2.75:1 at the relevant time.

13.21 Calculations and adjustments to the ratios

- (a) The requirements forming part of any Incurrence Test shall be:
 - (i) calculated as at a testing date determined by the Issuer falling no earlier than 3 months prior to the event in respect of which the Incurrence Test shall be made; and
 - (ii) unless otherwise set out below:
 - (A) tested with reference to the relevant Financial Report (and the compliance certificate relating thereto); and
 - (B) calculated in accordance with the Accounting Standard, accounting practices and financial reference periods consistent with those applied in its previous Financial Reports published (or delivered) pursuant to the terms hereof (unless, there has been a change in that Accounting Standard or those accounting practices, and the Issuer delivers to the Bond Trustee a statement (in form and content satisfactory to the Bond Trustee) (1) describing in reasonable detail any change necessary for the Financial Report referred to in paragraph (a)(ii)(A) above to reflect the Accounting Standard or accounting practices upon which such previous Financial Reports were prepared and (2) confirming that the relevant Incurrence Test would still have been complied with had such changes not been made).
- (b) For the purpose of calculating (i) the requirements forming part of any Incurrence Test and (ii) any EBITDA grower basket set out herein:
 - (A) the Total Net Debt shall be calculated as at the relevant testing date with the following adjustments:
 - (1) the full (i.e. unutilised and utilised) commitment or facility of any new Financial Indebtedness in respect of which the Incurrence Test shall be made (after deducting any Financial Indebtedness which shall be refinanced at the time of incurrence of such new Financial Indebtedness) shall be added to the Total Net Debt; and
 - (2) any cash balance resulting from the incurrence of such new Financial Indebtedness shall not reduce the Total Net Debt; and
 - (B) EBITDA shall be calculated by reference to the amount of EBITDA derived from the relevant Financial Report for the applicable Relevant Period (and the compliance certificate relating thereto) with the following adjustments (where no amount shall be included or excluded more than once):
 - (1) any company, business or undertaking acquired, disposed of or otherwise discontinued by the Group during such Relevant Period, or after the end of that Relevant Period but on or before the relevant testing date, shall be included or excluded (as applicable) pro forma for the entire period;
 - (2) any company, business or undertaking to be acquired with the proceeds from the new Financial Indebtedness to be incurred based on such Incurrence Test shall be included, pro forma, for the entire period; and

- (3) the amount of any net cost savings or net cost reduction synergies projected by the Issuer in good faith to be realised as a result of specific actions taken or to be taken by any Group Company due to the making of an acquisition or a disposal of a company, business or undertaking from or to any third party (in each case) permitted by the terms hereof (calculated on a pro forma basis as though such cost savings and synergies had been realised on the first day of such Relevant Period), net of the amount of actual benefits realised during such Relevant Period from such actions, provided that (AA) such cost savings and synergies are reasonably identifiable and factually supportable, (BB) such actions have been taken or will be taken within 12 months after the making of that acquisition or disposal, (CC) no cost savings or synergies shall be taken into account pursuant to this paragraph (B)(3) to the extent already taken into account when calculating EBITDA for such Relevant Period and (DD) the aggregate amount of any such cost savings and synergies for the Group in respect of any such Relevant Period, together with any other amounts to be covered by the EBITDA Adjustment Basket in respect of that Relevant Period, does not exceed the EBITDA Adjustment Basket.

14. EVENTS OF DEFAULT AND ACCELERATION OF THE BONDS

14.1 Events of Default

Each of the events or circumstances set out in this Clause 14.1 shall constitute an Event of Default:

(a) Non-payment

The Issuer fails to pay any amount payable by it under the Finance Documents when such amount is due for payment, unless:

- (i) its failure to pay is caused by administrative or technical error in payment systems or the CSD and payment is made within five Business Days following the original due date; or
- (ii) in the discretion of the Bond Trustee, the Issuer has substantiated that it is likely that such payment will be made in full within five Business Days following the original due date.

(b) Breach of other obligations

The Issuer does not comply with any provision of the Finance Documents other than set out under paragraph (a) (Non-payment) above, unless such failure is capable of being remedied and is remedied within 20 Business Days after the earlier of the Issuer's actual knowledge thereof, or notice thereof is given to the Issuer by the Bond Trustee.

(c) Misrepresentation

Any representation, warranty or statement (including statements in Compliance Certificates) made by the Issuer under or in connection with any Finance Documents is or proves to have been incorrect, inaccurate or misleading in any material respect when made.

(d) Cross default and cross acceleration

If for any Group Company:

- (i) any Financial Indebtedness is not paid when due nor within any applicable grace period; or
- (ii) any Financial Indebtedness is declared to be or otherwise becomes due and payable prior to its specified maturity as a result of an event of default (however described); or
- (iii) any commitment for any Financial Indebtedness is cancelled or suspended by a creditor as a result of an event of default (however described); or

- (iv) any creditor becomes entitled to declare any Financial Indebtedness due and payable prior to its specified maturity as a result of any event of default related to non-payment of Financial Indebtedness, insolvency, insolvency proceedings, creditor's process and cessation of business (however described),

provided however, in each case, that the aggregate amount of such Financial Indebtedness or commitment for Financial Indebtedness falling within paragraphs (i) to (iv) above exceeds a total of EUR 7,500,000 (or its equivalent in other currencies) in aggregate for the Group.

(e) Insolvency and insolvency proceedings

Any Group Company:

- (i) is Insolvent; or
- (ii) is object of any corporate action or any legal proceedings is taken in relation to:
 - (A) the suspension of payments, a moratorium of any indebtedness, winding-up, dissolution, administration or reorganisation (by way of voluntary arrangement, scheme of arrangement or otherwise) other than a solvent liquidation or reorganisation; or
 - (B) a composition, compromise, assignment or arrangement with any creditor which may materially impair the Issuer's ability to perform its payment obligations under these Bond Terms; or
 - (C) the appointment of a liquidator (other than in respect of a solvent liquidation), receiver, administrative receiver, administrator, compulsory manager or other similar officer of any of its assets; or
 - (D) enforcement of any Security over any of its or their assets having an aggregate value exceeding the threshold amount set out in paragraph (d) (Cross default and cross acceleration) above; or
 - (E) for paragraphs (A) - (D) above, any analogous procedure or step is taken in any jurisdiction in respect of any such company.

However, this shall not apply to any petition which is frivolous or vexatious and is discharged, stayed or dismissed within 20 Business Days of commencement.

(f) Creditor's process

Any expropriation, attachment, sequestration, distress or execution affects any asset or assets of any Group Company having an aggregate value exceeding the threshold amount set out in paragraph (d) (Cross default and cross acceleration) above and is not discharged within 20 Business Days.

(g) Unlawfulness

It is or becomes unlawful for the Issuer to perform or comply with any of its obligations under the Finance Documents to the extent this may materially impair:

- (i) the ability of the Issuer to perform its obligations under these Bond Terms; or
- (ii) the ability of the Bond Trustee to exercise any material right or power vested to it under the Finance Documents.

14.2 Acceleration of the Bonds

If an Event of Default has occurred and is continuing, the Bond Trustee may, in its discretion in order to protect the interests of the Bondholders, or upon instruction received from the Bondholders pursuant to Clause 14.3 (*Bondholders' instructions*) below, by serving a Default Notice to the Issuer:

- (a) declare that the Outstanding Bonds, together with accrued interest and all other amounts accrued or outstanding under the Finance Documents be immediately due and payable, at which time they shall become immediately due and payable; and/or
- (b) exercise any or all of its rights, remedies, powers or discretions under the Finance Documents or take such further measures as are necessary to recover the amounts outstanding under the Finance Documents.

14.3 Bondholders' instructions

The Bond Trustee shall serve a Default Notice pursuant to Clause 14.2 (*Acceleration of the Bonds*) if:

- (a) the Bond Trustee receives a demand in writing from Bondholders representing a simple majority of the Voting Bonds, that an Event of Default shall be declared, and a Bondholders' Meeting has not made a resolution to the contrary; or
- (b) the Bondholders' Meeting, by a simple majority decision, has approved the declaration of an Event of Default.

14.4 Calculation of claim

The claim derived from the Outstanding Bonds due for payment as a result of the serving of a Default Notice will be calculated at the applicable Call Price at the following dates (and regardless of the Default Repayment Date):

- (a) for any Event of Default arising out of a breach of Clause 14.1 (*Events of Default*) paragraph (a) (Non-payment), the claim will be calculated at the Call Price applicable at the date when such Event of Default occurred; and
- (b) for any other Event of Default, the claim will be calculated at the Call Price applicable at the date when the Default Notice was served by the Bond Trustee.

However, if the situations described in paragraph (a) or (b) above takes place prior to the First Call Date, the calculation shall be based on the Call Price applicable on the First Call Date.

15. BONDHOLDERS' DECISIONS

15.1 Authority of the Bondholders' Meeting

- (a) A Bondholders' Meeting may, on behalf of the Bondholders, resolve to alter any of these Bond Terms, including, but not limited to, any reduction of principal or interest and any conversion of the Bonds into other capital classes.
- (b) The Bondholders' Meeting cannot resolve that any overdue payment of any instalment shall be reduced unless there is a pro rata reduction of the principal that has not fallen due, but may resolve that accrued interest (whether overdue or not) shall be reduced without a corresponding reduction of principal.
- (c) The Bondholders' Meeting may not adopt resolutions which will give certain Bondholders an unreasonable advantage at the expense of other Bondholders.
- (d) Subject to the power of the Bond Trustee to take certain action as set out in Clause 16.1 (*Power to represent the Bondholders*), if a resolution by, or an approval of, the Bondholders is required, such resolution may be passed at a Bondholders' Meeting. Resolutions passed at any Bondholders' Meeting will be binding upon all Bondholders.
- (e) At least 50 per cent. of the Voting Bonds must be represented at a Bondholders' Meeting for a quorum to be present.
- (f) Resolutions will be passed by simple majority of the Voting Bonds represented at the Bondholders' Meeting, unless otherwise set out in paragraph (g) below.

- (g) Save for any amendments or waivers which can be made without resolution pursuant to paragraph (a)(i) and (ii) of Clause 17.1 (*Procedure for amendments and waivers*), a majority of at least 2/3 of the Voting Bonds represented at the Bondholders' Meeting is required for approval of any waiver or amendment of these Bond Terms.

15.2 Procedure for arranging a Bondholders' Meeting

- (a) A Bondholders' Meeting shall be convened by the Bond Trustee upon the request in writing of:
 - (i) the Issuer;
 - (ii) Bondholders representing at least 1/10 of the Voting Bonds;
 - (iii) the Exchange, if the Bonds are listed and the Exchange is entitled to do so pursuant to the general rules and regulations of the Exchange; or
 - (iv) the Bond Trustee.

The request shall clearly state the matters to be discussed and resolved.

- (b) If the Bond Trustee has not convened a Bondholders' Meeting within 10 Business Days after having received a valid request for calling a Bondholders' Meeting pursuant to paragraph (a) above, then the requesting party may call the Bondholders' Meeting itself.
- (c) Summons to a Bondholders' Meeting must be sent no later than 10 Business Days prior to the proposed date of the Bondholders' Meeting. The Summons shall be sent to all Bondholders registered in the CSD at the time the Summons is sent from the CSD. If the Bonds are listed, the Issuer shall ensure that the Summons is published in accordance with the applicable regulations of the Exchange. The Summons shall also be published on the website of the Bond Trustee (alternatively by press release or other relevant information platform).
- (d) Any Summons for a Bondholders' Meeting must clearly state the agenda for the Bondholders' Meeting and the matters to be resolved. The Bond Trustee may include additional agenda items to those requested by the person calling for the Bondholders' Meeting in the Summons. If the Summons contains proposed amendments to these Bond Terms, a description of the proposed amendments must be set out in the Summons.
- (e) Items which have not been included in the Summons may not be put to a vote at the Bondholders' Meeting.
- (f) By written notice to the Issuer, the Bond Trustee may prohibit the Issuer from acquiring or dispose of Bonds during the period from the date of the Summons until the date of the Bondholders' Meeting, unless the acquisition of Bonds is made by the Issuer pursuant to Clause 10 (*Redemption and Repurchase of Bonds*).
- (g) A Bondholders' Meeting may be held on premises selected by the Bond Trustee, or if paragraph (b) above applies, by the person convening the Bondholders' Meeting (however to be held in the capital of the Relevant Jurisdiction). The Bondholders' Meeting will be opened and, unless otherwise decided by the Bondholders' Meeting, chaired by the Bond Trustee. If the Bond Trustee is not present, the Bondholders' Meeting will be opened by a Bondholder and be chaired by a representative elected by the Bondholders' Meeting (the Bond Trustee or such other representative, the "**Chairperson**").
- (h) Each Bondholder, the Bond Trustee and, if the Bonds are listed, representatives of the Exchange, or any person or persons acting under a power of attorney for a Bondholder, shall have the right to attend the Bondholders' Meeting (each a "**Representative**"). The Chairperson may grant access to the meeting to other persons not being Representatives, unless the Bondholders' Meeting decides otherwise. In addition, each Representative has the right to be accompanied by an advisor. In case of dispute or doubt regarding whether a person is a Representative or entitled to vote, the Chairperson will decide who may attend the Bondholders' Meeting and exercise voting rights.

- (i) Representatives of the Issuer have the right to attend the Bondholders' Meeting. The Bondholders' Meeting may resolve to exclude the Issuer's representatives and/or any person holding only Issuer's Bonds (or any representative of such person) from participating in the meeting at certain times, however, the Issuer's representative and any such other person shall have the right to be present during the voting.
- (j) Minutes of the Bondholders' Meeting must be recorded by, or by someone acting at the instruction of, the Chairperson. The minutes must state the number of Voting Bonds represented at the Bondholders' Meeting, the resolutions passed at the meeting, and the results of the vote on the matters to be decided at the Bondholders' Meeting. The minutes shall be signed by the Chairperson and at least one other person. The minutes will be deposited with the Bond Trustee who shall make available a copy to the Bondholders and the Issuer upon request.
- (k) The Bond Trustee will ensure that the Issuer, the Bondholders and the Exchange are notified of resolutions passed at the Bondholders' Meeting and that the resolutions are published on the website of the Bond Trustee (or other relevant electronically platform or press release).
- (l) The Issuer shall bear the costs and expenses incurred in connection with convening a Bondholders' Meeting regardless of who has convened the Bondholders' Meeting, including any reasonable costs and fees incurred by the Bond Trustee.

15.3 Voting rules

- (a) Each Bondholder (or person acting for a Bondholder under a power of attorney) may cast one vote for each Voting Bond owned on the Relevant Record Date, ref. Clause 3.3 (*Bondholders' rights*). The Chairperson may, in its sole discretion, decide on accepted evidence of ownership of Voting Bonds.
- (b) Issuer's Bonds shall not carry any voting rights. The Chairperson shall determine any question concerning whether any Bonds will be considered Issuer's Bonds.
- (c) For the purposes of this Clause 15, a Bondholder that has a Bond registered in the name of a nominee will, in accordance with Clause 3.3 (*Bondholders' rights*), be deemed to be the owner of the Bond rather than the nominee. No vote may be cast by any nominee if the Bondholder has presented relevant evidence to the Bond Trustee pursuant to Clause 3.3 (*Bondholders' rights*) stating that it is the owner of the Bonds voted for. If the Bondholder has voted directly for any of its nominee registered Bonds, the Bondholder's votes shall take precedence over votes submitted by the nominee for the same Bonds.
- (d) Any of the Issuer, the Bond Trustee and any Bondholder has the right to demand a vote by ballot. In case of parity of votes, the Chairperson will have the deciding vote.

15.4 Repeated Bondholders' Meeting

- (a) Even if the necessary quorum set out in paragraph (e) of Clause 15.1 (*Authority of the Bondholders' Meeting*) is not achieved, the Bondholders' Meeting shall be held and voting completed for the purpose of recording the voting results in the minutes of the Bondholders' Meeting. The Bond Trustee or the person who convened the initial Bondholders' Meeting may, within 10 Business Days of that Bondholders' Meeting, convene a repeated meeting with the same agenda as the first meeting.
- (b) The provisions and procedures regarding Bondholders' Meetings as set out in Clause 15.1 (*Authority of the Bondholders' Meeting*), Clause 15.2 (*Procedure for arranging a Bondholders' Meeting*) and Clause 15.3 (*Voting rules*) shall apply mutatis mutandis to a repeated Bondholders' Meeting, with the exception that the quorum requirements set out in paragraph (e) of Clause 15.1 (*Authority of the Bondholders' Meeting*) shall not apply to a repeated Bondholders' Meeting. A Summons for a repeated Bondholders' Meeting shall also contain the voting results obtained in the initial Bondholders' Meeting.
- (c) A repeated Bondholders' Meeting may only be convened once for each original Bondholders' Meeting. A repeated Bondholders' Meeting may be convened pursuant to the procedures of a

Written Resolution in accordance with Clause 15.5 (*Written Resolutions*), even if the initial meeting was held pursuant to the procedures of a Bondholders' Meeting in accordance with Clause 15.2 (*Procedure for arranging a Bondholders' Meeting*) and vice versa.

15.5 Written Resolutions

- (a) Subject to these Bond Terms, anything which may be resolved by the Bondholders in a Bondholders' Meeting pursuant to Clause 15.1 (*Authority of the Bondholders' Meeting*) may also be resolved by way of a Written Resolution. A Written Resolution passed with the relevant majority is as valid as if it had been passed by the Bondholders in a Bondholders' Meeting, and any reference in any Finance Document to a Bondholders' Meeting shall be construed accordingly.
- (b) The person requesting a Bondholders' Meeting may instead request that the relevant matters are to be resolved by Written Resolution only, unless the Bond Trustee decides otherwise.
- (c) The Summons for the Written Resolution shall be sent to the Bondholders registered in the CSD at the time the Summons is sent from the CSD and published at the Bond Trustee's web site, or other relevant electronic platform or via press release.
- (d) The provisions set out in Clause 15.1 (*Authority of the Bondholders' Meeting*), Clause 15.2 (*Procedure for arranging a Bondholders' Meeting*), Clause 15.3 (*Voting rules*) and Clause 15.4 (*Repeated Bondholders' Meeting*) shall apply mutatis mutandis to a Written Resolution, except that:
 - (i) the provisions set out in paragraphs (g), (h) and (i) of Clause 15.2 (*Procedure for arranging Bondholders Meetings*); or
 - (ii) provisions which are otherwise in conflict with the requirements of this Clause 15.5, shall not apply to a Written Resolution.
- (e) The Summons for a Written Resolution shall include:
 - (i) instructions as to how to vote to each separate item in the Summons (including instructions as to how voting can be done electronically if relevant); and
 - (ii) the time limit within which the Bond Trustee must have received all votes necessary in order for the Written Resolution to be passed with the requisite majority, which shall be at least 10 Business Days but not more than 15 Business Days from the date of the Summons (the "**Voting Period**").
- (f) Only Bondholders of Voting Bonds registered with the CSD on the Relevant Record Date, or the beneficial owner thereof having presented relevant evidence to the Bond Trustee pursuant to Clause 3.3 (*Bondholders' rights*), will be counted in the Written Resolution.
- (g) A Written Resolution is passed when the requisite majority set out in paragraph (e) or (f) of Clause 15.1 (*Authority of Bondholders' Meeting*) has been obtained, based on a quorum of the total number of Voting Bonds, even if the Voting Period has not yet expired. A Written Resolution will also be resolved if the sufficient numbers of negative votes are received prior to the expiry of the Voting Period.
- (h) The effective date of a Written Resolution passed prior to the expiry of the Voting Period is the date when the resolution is approved by the last Bondholder that results in the necessary voting majority being obtained.
- (i) If no resolution is passed prior to the expiry of the Voting Period, the number of votes shall be calculated at the time specified in the summons on the last day of the Voting Period, and a decision will be made based on the quorum and majority requirements set out in paragraphs (e) to (g) of Clause 15.1 (*Authority of Bondholders' Meeting*).

16. THE BOND TRUSTEE

16.1 Power to represent the Bondholders

- (a) The Bond Trustee has power and authority to act on behalf of, and/or represent, the Bondholders in all matters, including but not limited to taking any legal or other action, including enforcement of these Bond Terms, and the commencement of bankruptcy or other insolvency proceedings against the Issuer, or others.
- (b) The Issuer shall promptly upon request provide the Bond Trustee with any such documents, information and other assistance (in form and substance satisfactory to the Bond Trustee), that the Bond Trustee deems necessary for the purpose of exercising its and the Bondholders' rights and/or carrying out its duties under the Finance Documents.

16.2 The duties and authority of the Bond Trustee

- (a) The Bond Trustee shall represent the Bondholders in accordance with the Finance Documents, including, inter alia, by following up on the delivery of any Compliance Certificates and such other documents which the Issuer is obliged to disclose or deliver to the Bond Trustee pursuant to the Finance Documents and, when relevant, in relation to accelerating and enforcing the Bonds on behalf of the Bondholders.
- (b) The Bond Trustee is not obligated to assess or monitor the financial condition of the Issuer unless to the extent expressly set out in these Bond Terms, or to take any steps to ascertain whether any Event of Default has occurred. Until it has actual knowledge to the contrary, the Bond Trustee is entitled to assume that no Event of Default has occurred. The Bond Trustee is not responsible for the valid execution or enforceability of the Finance Documents, or for any discrepancy between the indicative terms and conditions described in any marketing material presented to the Bondholders prior to issuance of the Bonds and the provisions of these Bond Terms.
- (c) The Bond Trustee is entitled to take such steps that it, in its sole discretion, considers necessary or advisable to protect the rights of the Bondholders in all matters pursuant to the terms of the Finance Documents. The Bond Trustee may submit any instructions received by it from the Bondholders to a Bondholders' Meeting before the Bond Trustee takes any action pursuant to the instruction.
- (d) The Bond Trustee is entitled to engage external experts when carrying out its duties under the Finance Documents.
- (e) The Bond Trustee shall hold all amounts recovered on behalf of the Bondholders on separated accounts.
- (f) The Bond Trustee shall facilitate that resolutions passed at the Bondholders' Meeting are properly implemented, provided, however, that the Bond Trustee may refuse to implement resolutions that may be in conflict with these Bond Terms, any other Finance Document, or any applicable law.
- (g) Notwithstanding any other provision of the Finance Documents to the contrary, the Bond Trustee is not obliged to do or omit to do anything if it would or might in its reasonable opinion constitute a breach of any law or regulation.
- (h) If the cost, loss or liability which the Bond Trustee may incur (including reasonable fees payable to the Bond Trustee itself) in:
 - (i) complying with instructions of the Bondholders; or
 - (ii) taking any action at its own initiative,

will not, in the reasonable opinion of the Bond Trustee, be covered by the Issuer or the relevant Bondholders pursuant to paragraphs (e) and (g) of Clause 16.4 (*Expenses, liability and indemnity*), the Bond Trustee may refrain from acting in accordance with such instructions, or refrain from taking such action, until it has received such funding or indemnities (or adequate security has been provided therefore) as it may reasonably require.

- (i) The Bond Trustee shall give a notice to the Bondholders before it ceases to perform its obligations under the Finance Documents by reason of the non-payment by the Issuer of any fee or indemnity due to the Bond Trustee under the Finance Documents.
- (j) The Bond Trustee may instruct the CSD to split the Bonds to a lower nominal value in order to facilitate partial redemptions, write-downs or restructurings of the Bonds or in other situations where such split is deemed necessary.

16.3 Equality and conflicts of interest

- (a) The Bond Trustee shall not make decisions which will give certain Bondholders an unreasonable advantage at the expense of other Bondholders. The Bond Trustee shall, when acting pursuant to the Finance Documents, act with regard only to the interests of the Bondholders and shall not be required to have regard to the interests or to act upon or comply with any direction or request of any other person, other than as explicitly stated in the Finance Documents.
- (b) The Bond Trustee may act as agent, trustee, representative and/or security agent for several bond issues relating to the Issuer notwithstanding potential conflicts of interest. The Bond Trustee is entitled to delegate its duties to other professional parties.

16.4 Expenses, liability and indemnity

- (a) The Bond Trustee will not be liable to the Bondholders for damage or loss caused by any action taken or omitted by it under or in connection with any Finance Document, unless directly caused by its gross negligence or wilful misconduct. The Bond Trustee shall not be responsible for any indirect or consequential loss. Irrespective of the foregoing, the Bond Trustee shall have no liability to the Bondholders for damage caused by the Bond Trustee acting in accordance with instructions given by the Bondholders in accordance with these Bond Terms.
- (b) The Bond Trustee will not be liable to the Issuer for damage or loss caused by any action taken or omitted by it under or in connection with any Finance Document, unless caused by its gross negligence or wilful misconduct. The Bond Trustee shall not be responsible for any indirect or consequential loss.
- (c) Any liability for the Bond Trustee for damage or loss is limited to the amount of the Outstanding Bonds. The Bond Trustee is not liable for the content of information provided to the Bondholders by or on behalf of the Issuer or any other person.
- (d) The Bond Trustee shall not be considered to have acted negligently in:
 - (i) acting in accordance with advice from or opinions of reputable external experts; or
 - (ii) taking, delaying or omitting any action if acting with reasonable care and provided the Bond Trustee considers that such action is in the interests of the Bondholders.
- (e) The Issuer is liable for, and will indemnify the Bond Trustee fully in respect of, all losses, expenses and liabilities incurred by the Bond Trustee as a result of negligence by the Issuer (including its directors, management, officers, employees and agents) in connection with the performance of the Bond Trustee's obligations under the Finance Documents, including losses incurred by the Bond Trustee as a result of the Bond Trustee's actions based on misrepresentations made by the Issuer in connection with the issuance of the Bonds, the entering into or performance under the Finance Documents, and for as long as any amounts are outstanding under or pursuant to the Finance Documents.
- (f) The Issuer shall cover all costs and expenses incurred by the Bond Trustee in connection with it fulfilling its obligations under the Finance Documents. The Bond Trustee is entitled to fees for its work and to be indemnified for costs, losses and liabilities on the terms set out in the Finance Documents. The Bond Trustee's obligations under the Finance Documents are conditioned upon the due payment of such fees and indemnifications. The fees of the Bond Trustee will be further set out in the Bond Trustee Fee Agreement.

- (g) The Issuer shall on demand by the Bond Trustee pay all costs incurred for external experts engaged after the occurrence of an Event of Default, or for the purpose of investigating or considering (i) an event or circumstance which the Bond Trustee reasonably believes is or may lead to an Event of Default or (ii) a matter relating to the Issuer or any Finance Document which the Bond Trustee reasonably believes may constitute or lead to a breach of any Finance Document or otherwise be detrimental to the interests of the Bondholders under the Finance Documents.
- (h) Fees, costs and expenses payable to the Bond Trustee which are not reimbursed in any other way due to an Event of Default, the Issuer being Insolvent or similar circumstances pertaining to the Issuer, may be covered by making an equal reduction in the proceeds to the Bondholders hereunder of any costs and expenses incurred by the Bond Trustee in connection therewith. The Bond Trustee may withhold funds from any escrow account (or similar arrangement) or from other funds received from the Issuer or any other person, and to set-off and cover any such costs and expenses from those funds.
- (i) As a condition to effecting any instruction from the Bondholders (including, but not limited to, instructions set out in Clause 14.3 (*Bondholders' instructions*) or Clause 15.2 (*Procedure for arranging a Bondholders' Meeting*)), the Bond Trustee may require satisfactory Security, guarantees and/or indemnities for any possible liability and anticipated costs and expenses from those Bondholders who have given that instruction and/or who voted in favour of the decision to instruct the Bond Trustee.

16.5 Replacement of the Bond Trustee

- (a) The Bond Trustee may be replaced by a majority of 2/3 of Voting Bonds in accordance with the procedures set out in Clause 15 (*Bondholders' Decisions*), and the Bondholders may resolve to replace the Bond Trustee without the Issuer's approval.
- (b) The Bond Trustee may resign by giving notice to the Issuer and the Bondholders, in which case a successor Bond Trustee shall be elected pursuant to this Clause 16.5, initiated by the retiring Bond Trustee.
- (c) If the Bond Trustee is Insolvent, or otherwise is permanently unable to fulfil its obligations under these Bond Terms, the Bond Trustee shall be deemed to have resigned and a successor Bond Trustee shall be appointed in accordance with this Clause 16.5. The Issuer may appoint a temporary Bond Trustee until a new Bond Trustee is elected in accordance with paragraph (a) above.
- (d) The change of Bond Trustee shall only take effect upon execution of all necessary actions to effectively substitute the retiring Bond Trustee, and the retiring Bond Trustee undertakes to co-operate in all reasonable manners without delay to such effect. The retiring Bond Trustee shall be discharged from any further obligation in respect of the Finance Documents from the change takes effect, but shall remain liable under the Finance Documents in respect of any action which it took or failed to take whilst acting as Bond Trustee. The retiring Bond Trustee remains entitled to any benefits and any unpaid fees or expenses under the Finance Documents before the change has taken place.
- (e) Upon change of Bond Trustee, the Issuer shall co-operate in all reasonable manners without delay to replace the retiring Bond Trustee with the successor Bond Trustee and release the retiring Bond Trustee from any future obligations under the Finance Documents and any other documents.

17. AMENDMENTS AND WAIVERS

17.1 Procedure for amendments and waivers

The Issuer and the Bond Trustee (acting on behalf of the Bondholders) may agree to amend the Finance Documents or waive a past default or anticipated failure to comply with any provision in a Finance Document, provided that:

- (a) such amendment or waiver is not detrimental to the rights and benefits of the Bondholders in any material respect, or is made solely for the purpose of rectifying obvious errors and mistakes;

- (b) such amendment or waiver is required by applicable law, a court ruling or a decision by a relevant authority; or
- (c) such amendment or waiver has been duly approved by the Bondholders in accordance with Clause 15 (*Bondholders' Decisions*).

17.2 Authority with respect to documentation

If the Bondholders have resolved the substance of an amendment to any Finance Document, without resolving on the specific or final form of such amendment, the Bond Trustee shall be considered authorised to draft, approve and/or finalise (as applicable) any required documentation or any outstanding matters in such documentation without any further approvals or involvement from the Bondholders being required.

17.3 Notification of amendments or waivers

- (a) The Bond Trustee shall as soon as possible notify the Bondholders of any amendments or waivers made in accordance with this Clause 17, setting out the date from which the amendment or waiver will be effective, unless such notice according to the Bond Trustee's sole discretion is unnecessary. The Issuer shall ensure that any amendment to these Bond Terms is duly registered with the CSD.
- (b) Prior to agreeing to an amendment or granting a waiver in accordance with paragraph (a)(i) of Clause 17.1(a) (*Procedure for amendments and waivers*), the Bond Trustee may inform the Bondholders of such waiver or amendment at a relevant information platform.

18. MISCELLANEOUS

18.1 Limitation of claims

All claims under the Finance Documents for payment, including interest and principal, will be subject to the legislation regarding time-bar provisions of the Relevant Jurisdiction.

18.2 Access to information

- (a) These Bond Terms will be made available to the public and copies may be obtained from the Bond Trustee or the Issuer. The Bond Trustee will not have any obligation to distribute any other information to the Bondholders or any other person, and the Bondholders have no right to obtain information from the Bond Trustee, other than as explicitly stated in these Bond Terms or pursuant to statutory provisions of law.
- (b) In order to carry out its functions and obligations under these Bond Terms, the Bond Trustee will have access to the relevant information regarding ownership of the Bonds, as recorded and regulated with the CSD.
- (c) The information referred to in paragraph (b) above may only be used for the purposes of carrying out their duties and exercising their rights in accordance with the Finance Documents and shall not disclose such information to any Bondholder or third party unless necessary for such purposes.

18.3 Notices, contact information

- (a) Written notices to the Bondholders made by the Bond Trustee will be sent to the Bondholders via the CSD with a copy to the Issuer and the Exchange (if the Bonds are listed). Any such notice or communication will be deemed to be given or made via the CSD, when sent from the CSD.
- (b) The Issuer's written notifications to the Bondholders will be sent to the Bondholders via the Bond Trustee or through the CSD with a copy to the Bond Trustee and the Exchange (if the Bonds are listed).
- (c) Notwithstanding paragraph (a) above and provided that such written notification does not require the Bondholders to take any action under the Finance Documents, the Issuer's written notifications

to the Bondholders may be published by the Bond Trustee on a relevant information platform only.

- (d) Unless otherwise specifically provided, all notices or other communications under or in connection with these Bond Terms between the Bond Trustee and the Issuer will be given or made in writing, by letter or e-mail. Any such notice or communication will be deemed to be given or made as follows:
 - (i) if by letter, when delivered at the address of the relevant party;
 - (ii) if by e-mail, when received; and
 - (iii) if by publication on a relevant information platform, when published.
- (e) The Issuer and the Bond Trustee shall each ensure that the other party is kept informed of changes in postal address, e-mail address and telephone and contact persons.
- (f) When determining deadlines set out in these Bond Terms, the following will apply (unless otherwise stated):
 - (i) if the deadline is set out in days, the first day of the relevant period will not be included and the last day of the relevant period will be included;
 - (ii) if the deadline is set out in weeks, months or years, the deadline will end on the day in the last week or the last month which, according to its name or number, corresponds to the first day the deadline is in force. If such day is not a part of an actual month, the deadline will be the last day of such month; and
 - (iii) if a deadline ends on a day which is not a Business Day, the deadline is postponed to the next Business Day.

18.4 Defeasance

- (a) Subject to paragraph (b) below and provided that:
 - (i) an amount sufficient for the payment of principal and interest on the Outstanding Bonds to the relevant Repayment Date (including, to the extent applicable, any premium payable upon exercise of a Call Option), and always subject to paragraph (c) below (the "**Defeasance Amount**") is credited by the Issuer to an account in a financial institution acceptable to the Bond Trustee (the "**Defeasance Account**");
 - (ii) the Defeasance Account is irrevocably pledged and blocked in favour of the Bond Trustee on such terms as the Bond Trustee shall request (the "**Defeasance Pledge**"); and
 - (iii) the Bond Trustee has received such legal opinions and statements reasonably required by it, including (but not necessarily limited to) with respect to the validity and enforceability of the Defeasance Pledge,
then:
 - (A) the Issuer will be relieved from its obligations under paragraph (a) of Clause 12.2 (*Requirements as to Financial Reports*), Clause 12.3 (*Put Option Event*), Clause 12.5 (*Information: miscellaneous*) and Clause 13 (*General and financial undertakings*); and
 - (B) the Issuer shall be released from any other obligation applicable to it under any Finance Document.
- (b) The Bond Trustee shall be authorised to apply any amount credited to the Defeasance Account towards any amount payable by the Issuer under any Finance Document on the due date for the relevant payment until all obligations of the Issuer and all amounts outstanding under the Finance Documents are repaid and discharged in full.

- (c) The Bond Trustee may, if the Defeasance Amount cannot be finally and conclusively determined, decide the amount to be deposited to the Defeasance Account in its discretion, applying such buffer amount as it deems necessary.

A defeasance established according to this Clause 18.4 may not be reversed.

19. GOVERNING LAW AND JURISDICTION

19.1 Governing law

These Bond Terms are governed by the laws of the Relevant Jurisdiction, without regard to its conflict of law provisions.

19.2 Main jurisdiction

The Bond Trustee and the Issuer agree for the benefit of the Bond Trustee and the Bondholders that the City Court of the capital of the Relevant Jurisdiction shall have jurisdiction with respect to any dispute arising out of or in connection with these Bond Terms. The Issuer agrees for the benefit of the Bond Trustee and the Bondholders that any legal action or proceedings arising out of or in connection with these Bond Terms against the Issuer or any of its assets may be brought in such court.

19.3 Alternative jurisdiction

Clause 19 (*Governing law and jurisdiction*) is for the exclusive benefit of the Bond Trustee and the Bondholders and the Bond Trustee have the right:

- (a) to commence proceedings against the Issuer or any of its assets in any court in any jurisdiction; and
- (b) to commence such proceedings, including enforcement proceedings, in any competent jurisdiction concurrently.

**ATTACHMENT 1
COMPLIANCE CERTIFICATE**

[date]

**Hörmann Industries GmbH • % senior unsecured EUR 50,000,000 bonds 2023/2028
ISIN NO0012938325**

We refer to the Bond Terms for the above captioned Bonds made between Nordic Trustee AS as Bond Trustee on behalf of the Bondholders and the undersigned as Issuer. Pursuant to Clause 12.2 (*Requirements as to Financial Reports*) of the Bond Terms, a Compliance Certificate shall be issued in connection with each delivery of Financial Reports to the Bond Trustee.

This letter constitutes the Compliance Certificate for the period [●].

Capitalised terms used herein will have the same meaning as in the Bond Terms.

With reference to Clause 12.2 (*Requirements as to Financial Reports*), we hereby certify that all information delivered under cover of this Compliance Certificate is true and accurate. Copies of our latest consolidated [Annual Financial Statements] / [Interim Accounts] are enclosed.

[The Incurrence Test set out in Clause 13.20 (*Incurrence Test*) is met, see the calculations, computations and figures in respect of the Leverage attached hereto.]

We confirm that, to the best of our knowledge, no Event of Default has occurred or is likely to occur.

Yours faithfully,
Hörmann Industries GmbH

Name of authorised person

Enclosure: Annual Financial Statements / Interim Accounts; [and any other written documentation]

EXCHANGE OFFER

The Issuer is expected to publish the following voluntary exchange offer on its website (www.hoermann-gruppe.com) and in the German Federal Gazette on or around 16 June 2023:

Hörmann Industries GmbH
München, Bundesrepublik Deutschland

Freiwilliges Angebot an die Anleihegläubiger der
EUR 50.000.000 4,500 % Schuldverschreibungen
2019/2024
ISIN NO0010851728

zum Umtausch ihrer Schuldverschreibungen in
festverzinsliche Schuldverschreibungen
2023/2028 der

Hörmann Industries GmbH
ISIN NO0012938325

Die Hörmann Industries GmbH ("**Emittentin**"), hat am 6. Juni 2019 Schuldverschreibungen im Gesamtnennbetrag von EUR 50.000.000 eingeteilt in 50.000 Schuldverschreibungen mit einem Nennbetrag von jeweils EUR 1.000 mit der ISIN NO0010851728 begeben ("**Schuldverschreibungen 2019/2024**"). Der Gesamtnennbetrag der Schuldverschreibungen 2019/2024 steht gegenwärtig noch zur Rückzahlung aus. Die Emittentin selbst hält keine Schuldverschreibungen 2019/2024.

Die Gesellschafterversammlung der Emittentin hat beschlossen, den Anleihegläubigern der Schuldverschreibungen 2019/2024 ("**2019/2024 Anleihegläubiger**") anzubieten, ihre Schuldverschreibungen 2019/2024 in neue Schuldverschreibungen 2023/2028 der Emittentin mit einem Nennbetrag von jeweils EUR 1.000 (ISIN NO0012938325) ("**Neue Schuldverschreibungen**"), die von der Emittentin voraussichtlich ab dem 21. Juni 2023 in der Bundesrepublik Deutschland ("**Deutschland**") und ab dem 16. Juni 2023 im Großherzogtum Luxemburg ("**Luxemburg**") öffentlich sowie im Rahmen einer Privatplatzierung zum Erwerb angeboten werden ("**Angebot**"), umzutauschen.

Der Umtausch erfolgt zu den nachstehenden Bedingungen ("**Umtauschbedingungen**"):

1. Angebot zum Umtausch

Die Emittentin bietet nach Maßgabe dieser Umtauschbedingungen den 2019/2024 Anleihegläubigern an ("**Umtauschangebot**"), verbindliche Angebote zum Umtausch ihrer Schuldverschreibungen 2019/2024 in Neue Schuldverschreibungen abzugeben

Hörmann Industries GmbH
Munich, Federal Republic of Germany

Voluntary offer to the bondholders of the
EUR 50,000,000 4.500% 2019/2024 Bonds
ISIN NO0010851728

to exchange their Bonds into new fixed rate
interest 2023/2028 Bonds of

Hörmann Industries GmbH
ISIN NO0012938325

On 6 June 2019, Hörmann Industries GmbH (hereinafter referred to as "**Issuer**") issued bonds in the aggregate principal amount EUR 50,000,000 divided into 50,000 bonds with a principal amount of EUR 1,000 each with ISIN NO0010851728 ("**2019/2024 Bonds**"). The aggregate principal amount of the 2019/2024 Bonds is currently outstanding for redemption. The Issuer itself does not hold any 2019/2024 Bonds.

The shareholders' meeting of the Issuer has resolved to offer the bondholders of the 2019/2024 Bonds ("**2019/2024 Bondholders**") the opportunity to exchange their 2019/2024 Bonds into new 2023/2028 bonds of the Issuer with a principal amount of EUR 1,000 each (ISIN NO0012938325) ("**New Bonds**"), which are publicly offered and offered for acquisition in the context of a private placement ("**Offer**") by the Issuer in the Federal Republic of Germany ("**Germany**") from 21 June 2023 and in the Grand Duchy of Luxembourg ("**Luxembourg**") from 16 June 2023.

The exchange shall take place in accordance with the following terms and conditions ("**Terms and Conditions of Exchange**"):

1. Offer for exchange

The Issuer offers, in accordance with these Terms and Conditions of Exchange, to the 2019/2024 Bondholders ("**Exchange Offer**") to submit binding offers to exchange their 2019/2024 Bonds into New Bonds ("**Exchange**" and the offer to exchange, "**Exchange Order**").

("Umtausch" und das Angebot zum Umtausch, "Umtauschvertrag").

2. Umtauschverhältnis, Mehrerwerbsoption

- (1) Der Umtausch folgt zum Nennbetrag zuzüglich eines Barausgleichsbetrages (wie in Absatz (3) definiert).
- (2) Das Umtauschverhältnis beträgt 1:1 (eins zu eins). Dies bedeutet, dass jeder 2019/2024 Anleihegläubiger, der einen Umtauschvertrag erteilt, im Fall der Annahme seines Umtauschvertrags durch die Emittentin je eingetauschter Schuldverschreibung 2019/2024
 - (a) eine Neue Schuldverschreibung sowie
 - (b) einen Barausgleichsbetrag (wie in Absatz (3) definiert) erhält.
- (3) Der jeweilige "Barausgleichsbetrag" setzt sich zusammen aus
 - (a) der Umtauschprämie für den freiwilligen Umtausch der Schuldverschreibungen 2019/2024 in Höhe von EUR 2,30 je umgetauschter Schuldverschreibung 2019/2024 ("Umtauschprämie"); und
 - (b) den jeweiligen Stückzinsen, die auf die umgetauschten Schuldverschreibungen 2019/2024 entfallen.

"Stückzinsen" bedeutet die anteilmäßig angefallenen Zinsen vom letzten Zinszahlungstag der Schuldverschreibungen 2019/2024 (einschließlich), wie in den Anleihebedingungen der Schuldverschreibungen 2019/2024 festgelegt, bis zum Begebungstag der Neuen Schuldverschreibungen, voraussichtlich dem 11. Juli 2023 ("Begebungstag") (ausschließlich). Die Berechnung der Stückzinsen erfolgt auf der Grundlage der Anzahl der tatsächlich verstrichenen Tage der jeweiligen Zinsperiode dividiert durch 365 Tage (Actual/365).

- (4) Die 2019/2024 Anleihegläubiger haben die Möglichkeit, neben der Abgabe eines Umtauschvertrags einen Auftrag zur Zeichnung weiterer Neuer

2. Exchange ratio, Option to Purchase

- (1) The Exchange shall occur at the principal amount plus a Cash Settlement Amount (as defined in sub-section (3) below).
- (2) The exchange ratio is 1:1 (one to one). This means that any 2019/2024 Bondholder who has submitted an Exchange Order, receives in the event of acceptance of his Exchange Order by the Issuer for each exchanged 2019/2024 Bond
 - (a) a New Bond; and
 - (b) a Cash Settlement Amount (as defined in sub-section (3) below).
- (3) The respective "Cash-Settlement Amount" is composed of
 - (a) the exchange premium for the voluntary exchange of the 2019/2024 Bonds in the amount of EUR 2.30 per exchanged 2019/2024 Bond ("Exchange Premium"); and
 - (b) the respective accrued interest attributable to the 2019/2024 Bonds.

"Accrued Interest" means the pro-rata interest accrued from and including the last interest payment date of the 2019/2024 Bonds, as specified in the bond terms of the 2019/2024 Bonds, until the date of issue of the New Bonds, intended for 11 July 2023("Issue Date") (excluded). The calculation of the Accrued Interest is based on the number of actual elapsed days in the relevant interest period divided by 365 days (Actual/365).

- (4) In addition to the submission of an Exchange Order, the 2019/2024 Bondholders may submit a subscription order for any New Bonds of the Issuer

Schuldverschreibungen der Emittentin gegen Zahlung des Nennbetrags abzugeben ("**Mehrerwerbsoption**"). Es können hierbei nur Zeichnungsaufträge für Nennbeträge von EUR 1.000 oder einem Vielfachen davon abgegeben werden.

3. Umfang des Umtauschs

- (1) 2019/2024 Anleihegläubiger können im Rahmen des Umtauschangebots Umtauschaufträge für alle oder einen Teil der von ihnen gehaltenen Schuldverschreibungen 2019/2024 abgeben. Zeichnungsangebote im Rahmen der Mehrerwerbsoption können ab dem Nennbetrag einer Neuen Schuldverschreibung von EUR 1.000 abgegeben werden, wobei das Volumen des jeweiligen Zeichnungsangebotes stets durch den Nennbetrag von EUR 1.000 teilbar sein muss.
- (2) Der Betrag der Neuen Schuldverschreibungen, die für den Umtausch und den Mehrbezug eingesetzt werden, sowie die Annahme von Umtausch- und Zeichnungsaufträgen durch die Emittentin stehen im alleinigen und freien Ermessen der Emittentin, wobei das Volumen des Umtauschs und der Zeichnung in jedem Fall auf den Gesamtnennbetrag der Neuen Schuldverschreibungen begrenzt ist.

4. Umtauschfrist

- (1) Die Umtauschfrist für die Schuldverschreibungen 2019/2024 beginnt am 16. Juni 2023 und endet voraussichtlich am 28. Juni 2023 um 18.00 Uhr MEZ ("**Umtauschfrist**").
- (2) Die Emittentin ist jederzeit und nach ihrem alleinigen und freien Ermessen berechtigt, ohne Angabe von Gründen die Umtauschfrist zu verlängern oder zu verkürzen, den Umtausch vorzeitig zu beenden oder das Umtauschangebot zurückzunehmen. Die Emittentin wird etwaige Veränderungen der Umtauschfrist oder das Entfallen des Umtauschangebots auf ihrer Internetseite sowie im Bundesanzeiger veröffentlichen. Für den Fall einer Überzeichnung behält sich die Emittentin vor, die Umtauschfrist vor Ablauf des in Absatz (1) bestimmten Termins zu beenden. Eine "**Überzeichnung**" liegt vor, wenn die Summe der im Rahmen des

against payment of the principal amount ("**Option to Purchase**"). Only subscription orders for principal amounts of EUR 1,000 or a multiple hereof shall be submitted.

3. Scope of Exchange

- (1) 2019/2024 Bondholders may tender Exchange Orders for all or part of the 2019/2024 Bonds they hold in the context of the Exchange Offer. Subscription offers within the scope of the Option to Purchase may be made from the principal amount of a New Bond of EUR 1,000, whereby, the volume of the subscription offer must always be divisible by the principal amount of EUR 1,000.
- (2) The amount of the New Bonds used for the Exchange and the Option to Purchase as well as the acceptance of Exchange Orders and subscription offers by the Issuer shall be in the sole and absolute discretion of the Issuer, whereby the volume of the Exchange and the subscription is limited in any case to the aggregate principal amount of the New Bonds.

4. Exchange Period

- (1) The exchange period for the 2019/2024 Bonds begins on 16 June 2023 and is expected to end on 28 June 2023 at 18:00 CEST ("**Exchange Period**").
- (2) The Issuer is, at any time and in its sole and absolute discretion, entitled to extend or shorten the Exchange Period without giving reasons, to terminate the Exchange early or to withdraw the Exchange Offer. The Issuer will publish any changes in the Exchange Period or the withdraw of the Exchange Offer on its website as well as in the German Federal Gazette. In the event of an Oversubscription, the Issuer reserves the right to terminate the Exchange Period before the expiry date specified in sub-section (1). An "**Oversubscription**" occurs when the sum of the Exchange Orders, the Options to Purchase and the subscription orders received in the context of the Exchange

<p>Umtauschangebots, der Mehrerwerbsoption und des öffentlichen Angebots sowie im Rahmen der Privatplatzierung eingegangenen Umtausch-, Mehrerwerbs- und Zeichnungsaufträge den Gesamtnennbetrag der angebotenen Neuen Schuldverschreibungen übersteigt.</p>	<p>Offer combined with the Option to Purchase and the public offer, as well as orders received in the context of the private placement, exceeds the aggregate principal amount of the New Bonds offered.</p>
<p>(3) Die Emittentin ist darüber hinaus nach ihrem alleinigen und freien Ermessen berechtigt, auch nach Ablauf der Umtauschfrist zugewangene Umtauschaufträge anzunehmen.</p>	<p>(3) In addition, the Issuer is entitled, in its sole and absolute discretion, to accept any Exchange Orders received after the expiry of the Exchange Period.</p>
<p>5. Umtauschstelle</p>	<p>5. Exchange Agent</p>
<p>(1) Umtauschstelle für den Umtausch ist futurum bank AG Hochstraße 35-37 60313 Frankfurt am Main Deutschland ("Umtauschstelle")</p>	<p>(1) Exchange Agent for the Exchange is futurum bank AG Hochstraße 35-37 60313 Frankfurt am Main Germany ("Exchange Agent")</p>
<p>(2) Die Umtauschstelle handelt ausschließlich als Erfüllungsgehilfe der Emittentin und übernimmt keinerlei Verpflichtungen gegenüber den 2019/2024 Anleihegläubigern und es wird kein Auftrags- oder Treuhandverhältnis zwischen ihr und den 2019/2024 Anleihegläubigern begründet.</p>	<p>(2) The Exchange Agent shall act solely as a vicarious agent of the Issuer and shall not assume any obligations towards the 2019/2024 Bondholders and no contractual or trust relationship shall be established between the Exchange Agent and the 2019/2024 Bondholders.</p>
<p>6. Umtauschaufträge und Ausübung der Mehrerwerbsoption</p>	<p>6. Exchange Orders and exercise of Option to Purchase</p>
<p>(1) 2019/2024 Anleihegläubiger, die Schuldverschreibungen 2019/2024 umtauschen wollen, müssen bei ihrer Depotbank einen Umtauschauftrag abgeben. Die Umtauschaufträge werden in gesammelter Form an die Umtauschstelle weitergeleitet und müssen bis zum Ende der Umtauschfrist dort zugewangene sein.</p>	<p>(1) 2019/2024 Bondholders who want to exchange the 2019/2024 Bonds must submit an Exchange Order to their custodian bank. The Exchange Order shall be forwarded in collected form to the Exchange Agent and must be received by the latter by the end of the Exchange Period.</p>
<p><i>Es wird darauf hingewiesen, dass die Möglichkeit zur Erteilung eines Umtauschauftrages durch die 2019/2024 Anleihegläubiger durch ihre jeweilige Depotbank aufgrund einer Vorgabe der jeweiligen Depotbank bereits vor dem Ende der Umtauschfrist enden kann. Weder die Emittentin noch die Umtauschstelle übernehmen eine Gewährleistung oder Haftung dafür, dass innerhalb der Umtauschfrist erteilte Umtauschaufträge auch tatsächlich vor dem Ende der Umtauschfrist bei der Umtauschstelle eingehen.</i></p>	<p><i>Please note that the possibility to issue an Exchange Order by the 2019/2024 Bondholders via the respective custodian bank may terminate even prior to the end of the Exchange Period on the basis of a requirement of the relevant custodian bank. Neither the Issuer nor the Exchange Agent shall assume any warranty or liability that Exchange Orders placed within the Exchange Period will effectively be received by the Exchange Agent before the end of the Exchange Period.</i></p>

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| <p>(2) Umtauschaufträge haben Folgendes zu beinhalten:</p> <p>(a) ein Angebot des 2019/2024 Anleihegläubigers zum Umtausch einer bestimmten Anzahl von Schuldverschreibungen 2019/2024 in Neue Schuldverschreibungen, in schriftlicher Form unter Verwendung des über die Depotbank zur Verfügung gestellten Formulars,</p> <p>(b) die unwiderrufliche Anweisung des 2019/2024 Anleihegläubigers an die Depotbank, die Schuldverschreibungen 2019/2024, für die ein Umtauschauftrag erteilt wird, zu sperren und jegliche Übertragung bis zum Begebungstag, zu unterlassen ("Depotsperre"); dies vorbehaltlich des automatischen Widerrufs dieser unwiderruflichen Anweisung für den Fall, dass das Umtauschangebot vor dem Ende der Umtauschfrist zurückgenommen wird.</p> <p>(3) Umtauschaufträge können nur unwiderruflich abgegeben werden. Die Emittentin erhebt für den Umtausch keine Gebühren oder Kosten. Jeder 2019/2024 Anleihegläubiger muss sich jedoch selbst über Steuern, Kosten und Gebühren informieren, denen er unterliegen kann.</p> <p>(4) 2019/2024 Anleihegläubiger, die von der Mehrerwerbsoption Gebrauch machen wollen, müssen innerhalb der Umtauschfrist in schriftlicher Form unter Verwendung des über die Depotbank zur Verfügung gestellten Formulars oder in sonstiger schriftlicher Form über die Depotbank ein verbindliches Angebot zum Erwerb weiterer Neuer Schuldverschreibungen abgeben. Die Ausübung der Mehrerwerbsoption kann nur berücksichtigt werden, wenn dieses Angebot spätestens bis zum Ablauf der Umtauschfrist bei der Umtauschstelle eingegangen ist.</p> | <p>(2) Exchange Orders shall include the following:</p> <p>(a) a written offer of the 2019/2024 Bondholders to exchange a certain number of 2019/2024 Bonds into New Bonds, using the form provided by the custodian bank,</p> <p>(b) the irrevocable instruction of the 2019/2024 Bondholders to the custodian bank, to block the 2019/2024 Bonds for which an Exchange Order has been issued and to refrain from any transfer until the Issue Date ("Depot Blocking"), subject to the automatic revocation of this irrevocable instruction in the event that the Exchange Offer is withdrawn before the end of the Exchange Period.</p> <p>(3) Exchange Orders shall only be issued irrevocably. The Issuer will not charge any fees or costs to the 2019/2024 Bondholders for the Exchange. However, each 2019/2024 Bondholder must inform itself of the taxes, costs and fees to which it may be subject.</p> <p>(4) 2019/2024 Bondholders intending to make use of the Option to Purchase will have to make a written binding offer to purchase additional New Bonds within the Exchange Period using the form provided by the custodian bank or in other written form via the custodian bank. The exercise of the Option to Purchase can only be taken into account if this offer has been received by the Exchange Agent no later than by the end of the Exchange Period.</p> |
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7. Depotsperre

Die Depotsperre hat bis zum Eintritt des frühesten der nachfolgenden Ereignisse wirksam zu sein, sofern die Emittentin

7. Depot Blocking

The Depot Blocking shall be effective until the occurrence of the earlier

keine abweichende Bekanntmachung veröffentlicht:

- (a) die Abwicklung am Begebungstag; oder
- (b) die Veröffentlichung der Emittentin, dass das freiwillige Umtauschangebot zurückgenommen wird.

8. Anweisung und Bevollmächtigung

(1) Mit Abgabe des Umtauschauftrages geben die 2019/2024 Anleihegläubiger folgende Erklärungen ab:

- (a) sie weisen ihre Depotbank an, die Schuldverschreibungen 2019/2024, für die sie den Umtauschauftrag abgeben, zunächst in ihrem Wertpapierdepot zu belassen, jedoch für anderweitige Verfügungen zu sperren;
- (b) sie beauftragen und bevollmächtigen die Umtauschstelle sowie ihre Depotbank (jeweils unter der Befreiung von dem Verbot des Selbstkontrahierens gemäß § 181 BGB), alle zur Abwicklung dieses Umtauschauftrages erforderlichen oder zweckmäßigen Handlungen vorzunehmen sowie entsprechende Erklärungen abzugeben und entgegenzunehmen, insbesondere den Übergang des Eigentums an den Schuldverschreibungen 2019/2024, für die sie den Umtauschauftrag abgeben, herbeizuführen und die Zahlung des Barausgleichsbetrages an die 2019/2024 Anleihegläubiger abzuwickeln; die 2019/2024 Anleihegläubiger haben Kenntnis davon, dass die Umtauschstelle auch für die Emittentin tätig wird;
- (c) sie beauftragen und bevollmächtigen die Umtauschstelle, alle Leistungen zu erhalten und Rechte auszuüben, die mit dem Besitz der umgetauschten Schuldverschreibungen 2019/2024 verbunden sind;

subsequent event, unless the Issuer publishes a deviating notice:

- (a) the settlement on the Issue Date; or
- (b) the Issuer's announcement that the voluntary Exchange Offer will be withdrawn.

8. Instructions and authorisations

(1) By submitting the Exchange Order, the 2019/2024 Bondholders make the following statements:

- (a) they shall instruct their custodian banks to keep the 2019/2024 Bonds for which they issue the Exchange Order in their securities account but to block them for any other disposition;
- (b) they shall instruct and authorise the Exchange Agent, as well as their custodian banks (each under the exemption from the prohibition of self-contracting pursuant to section 181 of the German Civil Code (*Bürgerliches Gesetzbuch*)), to take all necessary or appropriate actions to settle this Exchange Order and to make and receive such declarations, in particular to settle the transfer of ownership of the 2019/2024 Bonds for which they issue the Exchange Order, as well as the payment of the Cash Settlement Amount to the 2019/2024 Bondholders; the 2019/2024 Bondholders are aware that the Exchange Agent will also act for the Issuer;
- (c) they shall instruct and authorise the Exchange Agent to obtain all services and exercise all rights associated with the possession of the exchanged 2019/2024 Bonds;

- | | |
|---|---|
| <p>(e) sie übertragen – vorbehaltlich des Ablaufs der Umtauschfrist und unter der auflösenden Bedingung der Nichtannahme des Umtauschgebots durch die Emittentin (gegebenenfalls auch teilweise) – die Schuldverschreibungen 2019/2024, für die ein Umtauschauftrag erteilt wurde, auf die Emittentin mit der Maßgabe, dass Zug um Zug gegen die Übertragung eine entsprechende Anzahl an Neuen Schuldverschreibungen sowie die Gutschrift des jeweiligen Barausgleichsbetrages an sie übertragen werden;</p> <p>(f) sie ermächtigen die Depotbank, der Umtauschstelle Informationen über die Anweisungen des Depotinhabers bekanntzugeben.</p> | <p>(e) subject to the expiry of the Exchange Period and subject to the condition precedent of nonacceptance of the Exchange Offer by the Issuer (including, if applicable, partially), the 2019/2024 Bonds for which an Exchange Order has been issued shall be transferred to the Issuer with the provision that the transfer of the corresponding number of New Bonds and the credit of the respective Cash Settlement Amount shall be transferred concurrently;</p> <p>(f) they shall authorise the custodian bank to notify the Exchange Agent of the details of the instructions of the depositors.</p> |
| <p>(2) Die vorstehenden unter den Buchstaben (a) bis (f) aufgeführten Erklärungen, Weisungen, Aufträge und Vollmachten werden im Interesse einer reibungslosen und zügigen Abwicklung unwiderruflich erteilt.</p> | <p>(2) The declarations, instructions, orders, and powers set out in letters (a) to (f) above shall be given irrevocably in the interest of seamless and swift execution.</p> |
| <p>(3) Zugleich erklärt der jeweilige 2019/2024 Anleihegläubiger im Hinblick auf das Verfügungsgeschäft über die Schuldverschreibungen 2019/2024, für die ein Umtauschauftrag erteilt wurde, das Angebot auf Abschluss eines dinglichen Vertrages nach § 929 BGB. Mit der Abgabe des Umtauschauftrages verzichten die 2019/2024 Anleihegläubiger gemäß § 151 Absatz 1 BGB auf einen Zugang der Annahmeerklärungen. Die Erklärung des Umtauschauftrages und die Angebotserklärung im Hinblick auf den dinglichen Vertrag kann auch durch einen ordnungsgemäß Bevollmächtigten eines 2019/2024 Anleihegläubigers abgegeben werden.</p> | <p>(3) At the same time, the respective 2019/2024 Bondholder declares the offer to conclude a contract in rem pursuant to section 929 of the German Civil Code in respect to the material transfer (<i>Verfügungsgeschäft</i>) of the Bonds registered for Exchange. By submitting the Exchange Order, the respective 2019/2024 Bondholder waives the receipt of the declaration of acceptance pursuant to section 151 (1) of the German Civil Code. The declaration of the Exchange Order and the offer regarding the contract in rem may also be given by a duly authorised representative of a 2019/2024 Bondholder.</p> |

9. Annahme der Angebote

- (1) Mit der Annahme eines Umtauschauftrags durch die Emittentin kommt zwischen dem betreffenden 2019/2024 Anleihegläubiger und der Emittentin ein Vertrag über den Umtausch der Schuldverschreibungen 2019/2024 gegen die Neuen Schuldverschreibungen sowie Zahlung des Barausgleichsbetrages

9. Acceptance of offers

- (1) Upon the acceptance of an Exchange Order by the Issuer, an agreement will be concluded between the relevant 2019/2024 Bondholders and the Issuer about the Exchange of the 2019/2024 Bonds for the New Bonds as well as payment of the Cash Settlement Amount in accordance with the Terms and

gemäß den Umtauschbedingungen zustande. Mit der Annahme eines Zeichnungsangebots im Rahmen der Mehrerwerbsoption durch die Emittentin kommt zwischen dem betreffenden 2019/2024 Anleihegläubiger und der Emittentin ein Vertrag über die Zeichnung der Neuen Schuldverschreibungen zustande.

Die Neuen Schuldverschreibungen werden mit einem Zinssatz von 6,50 % bis 7,50 % verzinst. Der Gesamtnennbetrag der Neuen Schuldverschreibungen wird bis zu EUR 50.000.000 betragen. Der finale Zinssatz und der Gesamtnennbetrag der Neuen Schuldverschreibungen werden auf Grundlage der erhaltenen Zeichnungsanträge festgelegt werden. Die 2019/2024 Anleihegläubiger erklären sich ausdrücklich damit einverstanden, dass die Verzinsung am unteren Ende der Spanne liegen kann und der Gesamtausgabebetrag geringer EUR 50.000.000 sein kann.

- (2) Die Emittentin behält sich das Recht vor, Umtausch- und Zeichnungsaufträge trotz Verstößen gegen die Umtauschbedingungen oder Versäumung der Umtauschfrist anzunehmen, unabhängig davon, ob die Emittentin bei anderen 2019/2024 Anleihegläubigern mit ähnlichen Verstößen oder Fristversäumungen in gleicher Weise vorgeht.
- (3) Es liegt im alleinigen und freien Ermessen der Emittentin, Umtauschaufträge ohne Angabe von Gründen vollständig oder teilweise nicht anzunehmen. Umtauschaufträge, die nicht in Übereinstimmung mit den Umtauschbedingungen erfolgen oder hinsichtlich derer die Abgabe eines solchen Angebots nicht in Übereinstimmung mit den jeweiligen nationalen Gesetzen und anderen Rechtsvorschriften erfolgt, werden von der Emittentin nicht angenommen, sofern sie nicht ihr in Absatz (2) vorbehaltenes Recht ausübt.
- (4) Mit der Übertragung der Schuldverschreibungen 2019/2024, für die Umtausch- und Zeichnungsaufträge erteilt und von der Emittentin angenommen worden sind, gehen sämtliche mit diesen verbundenen

Conditions of Exchange. Upon acceptance of a subscription order under the Option to Purchase by the Issuer, an agreement will be concluded between the relevant 2019/2024 Bondholders and the Issuer about the subscription of New Bonds.

The New Bonds will bear interest at an interest rate of 6.50% to 7.50%. The aggregate principal amount of the New Bonds will be up to EUR 50,000,000. The final interest rate and aggregate principle amount of the New Bonds will be determined on the basis of the subscription offers received. The 2019/2024 Bondholders explicitly agree that the interest rate may be at the lower end of the interest range and that the aggregate principal amount of the New Bonds may be less than EUR 50,000,000.

- (2) The Issuer, however, reserves the right to accept Exchange Orders and subscription orders in spite of violations of the Terms and Conditions of Exchange or failure to meet the Exchange Period irrespective of whether the Issuer proceeds in the same manner with other 2019/2024 Bondholders with similar violations or missing of deadlines.
- (3) It is the sole and absolute discretion of the Issuer not to accept Exchange Orders in whole or in part without stating reasons. Exchange Orders which are not made in accordance with the Terms and Conditions of Exchange or in respect of which such an offer was not made in accordance with the respective national laws and other legal provisions shall not be accepted by the Issuer unless it exercises the right reserved in subsection (2) above.
- (4) Upon the transfer of the 2019/2024 Bonds for which Exchange Orders and subscription orders have been placed and accepted by the Issuer, all related claims and other rights shall pass to the Issuer.

	<p>Ansprüche und sonstige Rechte auf die Emittentin über.</p>	
(5)	<p>Die Emittentin beabsichtigt, am oder um den 30. Juni 2023 auf ihrer Internetseite unter www.hoermann-gruppe.com bekannt zu geben, in welchem Umfang sie Umtauschaufträge angenommen hat.</p>	(5) The Issuer intends to announce the extent of Exchange Orders accepted on its website www.hoermann-gruppe.com on or around 30 June 2023.
10.	<p>Lieferung der Neuen Schuldverschreibungen; Zahlung der Barausgleichsbeträge</p>	10. Delivery of New Bonds; Payment of Cash Settlement Amounts
(1)	<p>Die Lieferung der Neuen Schuldverschreibungen sowie die Zahlung der jeweiligen Barausgleichsbeträge für die Schuldverschreibungen 2019/2024, für die Umtauschaufträge erteilt und von der Emittentin angenommen wurden, erfolgt über die Umtauschstelle als Umtauschtreuhänderin Zug um Zug gegen Übertragung der Schuldverschreibungen 2019/2024, für die Umtauschaufträge erteilt und von der Emittentin angenommen wurden, an die Emittentin. Die Lieferung findet voraussichtlich am oder um den Begebungstag statt.</p>	(1) The New Bonds shall be delivered and the respective Cash Settlement Amounts for the 2019/2024 Bonds for which Exchange Orders have been issued and accepted by the Issuer shall be paid to the Exchange Agent as exchange trustee and shall be issued concurrently against transfer to the Issuer of the 2019/2024 Bonds, for which Exchange Orders have been issued and accepted by the Issuer. Delivery is expected to take place on or around the Issue Date.
(2)	<p>Die Gutschrift des Barausgleichsbetrages erfolgt über die jeweilige Depotbank der 2019/2024 Anleihegläubiger.</p>	(2) The Cash Settlement Amount shall be credited to the 2019/2024 Bondholders' respective custodian bank.
11.	<p>Gewährleistung der 2019/2024 Anleihegläubiger</p> <p>Jeder 2019/2024 Anleihegläubiger, der einen Umtauschauftrag erteilt, sichert mit der Abgabe des Umtauschauftrages sowohl zum Ende der Umtauschfrist als auch zum Begebungstag zu und gewährleistet und verpflichtet sich gegenüber der Emittentin und der Umtauschstelle, dass:</p>	11. Warranties of 2019/2024 Bondholder
(a)	<p>er den Wertpapierprospekt und die darin enthaltenen Umtauschbedingungen durchgelesen, verstanden und akzeptiert hat;</p>	(a) he has read, understood, and accepted this Prospectus and the Terms and Conditions of Exchange contained therein;
(b)	<p>die Schuldverschreibungen 2019/2024, für die ein Umtauschauftrag erteilt wurde, in seinem Eigentum stehen und frei von Rechten und Ansprüchen Dritter sind; und</p>	(b) the 2019/2024 Bonds for which an Exchange Order has been issued are under his ownership and free of rights and claims of third parties; and
(c)	<p>ihm bekannt ist, dass sich – von bestimmten Ausnahmen abgesehen – das</p>	(c) it is aware that – except for certain exceptions – the Exchange Offer is not addressed

Umtauschangebot nicht an 2019/2024 Anleihegläubiger in den Vereinigten Staaten von Amerika, Kanada, Australien und Japan richtet und dass 2019/2024 Anleihegläubiger, die sich in diesen Staaten befinden, kein Angebot zum Umtausch ihrer Schuldverschreibungen 2019/2024 abgeben dürfen.

to 2019/2024 Bondholders residing in the United States of America, Canada, Australia and Japan and that 2019/2024 Bondholders residing in these jurisdictions may not make an offer to exchange their 2019/2024 Bonds.

12. Steuerliche Hinweise

Die Veräußerung der Schuldverschreibungen 2019/2024 auf Basis dieses Angebots kann unter Umständen zu einer Besteuerung eines etwaigen Veräußerungsgewinns führen. Es gelten die jeweils anwendbaren steuerrechtlichen Vorschriften. Je nach den persönlichen Verhältnissen eines 2019/2024 Anleihegläubigers können ausländische steuerrechtliche Regelungen zur Anwendung kommen. Potenziellen Käufern wird empfohlen bezüglich der steuerlichen Folgen des Kaufs, des Umtauschs, der Inhaberschaft und der Veräußerung der Schuldverschreibungen 2019/2024 und der Neuen Schuldverschreibungen vor Abgabe des Umtauschauftrages einen Steuerberater zu konsultieren, sofern Unsicherheit über die Einschlägigkeit eines etwaigen steuerbaren Vorgangs vorliegt.

13. Veröffentlichung und Verbreitung dieses Umtauschangebots, Sonstiges

- (1) Das Angebot wird auf der Internetseite der Emittentin unter www.hoermann-gruppe.com sowie im Bundesanzeiger voraussichtlich am 16. Juni 2023 veröffentlicht.
- (2) Da die Versendung, Verteilung oder Verbreitung dieses Angebots an Dritte sowie die Erteilung eines Umtauschauftrags außerhalb Deutschlands und Luxemburgs gesetzlichen Beschränkungen unterliegen kann, darf dieses Angebot weder unmittelbar noch mittelbar in Länder(n) außerhalb Deutschlands und Luxemburgs veröffentlicht, verbreitet oder weitergegeben werden, soweit dies nach den anwendbaren ausländischen Bestimmungen untersagt oder von der Einhaltung behördlicher Verfahren oder der Erteilung einer Genehmigung oder weiteren Voraussetzungen abhängig ist. Gelangen Personen außerhalb

12. Tax information

The sale and transfer of the 2019/2024 Bonds based on the participation in the Offer may lead to a taxation of any capital gain. The applicable tax provisions apply. Depending on personal circumstances of a 2019/2024 Bondholder, foreign tax regulations may apply. Prospective investors of New Bonds are advised to consult their own tax consultant or tax advisers as to the tax consequences of the purchase, exchange, ownership, and disposition of the 2019/2024 Bonds and New Bonds prior to submitting the Exchange Order if there is uncertainty as to the relevance of any taxable transaction.

13. Publication and distribution of this Exchange Offer, miscellaneous

- (1) This Offer will be published on the Issuer's website www.hoermann-gruppe.com and in the German Federal Gazette on or around 16 June 2023.
- (2) Since the sending, distribution, or dissemination of this Offer to third parties and the placing of an Exchange Order outside of Germany and Luxembourg are subject to legal restrictions, this Offer shall not be published, disseminated or distributed directly or indirectly in any country outside Germany or Luxembourg, insofar as this is prohibited by applicable foreign regulations or is subject to compliance with official procedures or the grant of an authorization or other conditions. If persons outside of Germany and Luxembourg obtain possession of this Offer or if they intend to submit an Exchange Order or subscription order from there, they are requested to inform

Deutschlands und Luxemburgs in den Besitz dieses Angebots oder wollen sie von dort aus einen Umtausch- und Zeichnungsauftrag erteilen, werden sie gebeten, sich über etwaige außerhalb Deutschlands und Luxemburgs geltende rechtliche Beschränkungen zu informieren und solche Beschränkungen einzuhalten. Die Emittentin übernimmt keine Gewähr dafür, dass die Versendung, Verteilung oder Verbreitung dieses Angebots oder die Erteilung eines Umtausch- und Zeichnungsauftrags außerhalb Deutschlands und Luxemburgs mit den jeweiligen ausländischen Vorschriften vereinbar ist. Eine Versendung, Verteilung und Verbreitung dieses Angebots außerhalb Deutschlands und Luxemburgs erfolgen nicht im Auftrag der Emittentin oder der Umtauschstelle.

(3) Sämtliche Veröffentlichungen und sonstigen Mitteilungen der Emittentin im Zusammenhang mit dem Angebot erfolgen darüber hinaus, soweit nicht eine weitergehende Veröffentlichungspflicht besteht, ausschließlich auf der Internetseite der Emittentin.

(4) Das Angebot ist in deutscher Sprache abgefasst. Die Emittentin stellt darüber hinaus eine unverbindliche Übersetzung in die englische Sprache zur Verfügung. Der deutsche Wortlaut ist maßgeblich und allein rechtsverbindlich. Die englische Übersetzung ist unverbindlich und dient nur der Information.

14. Anwendbares Recht

Diese Umtauschbedingungen, die jeweiligen Umtauschaufträge der 2019/2024 Anleihegläubiger sowie alle vertraglichen und außervertraglichen Schuldverhältnisse, die sich aus oder im Zusammenhang damit ergeben, unterliegen deutschem Recht.

15. Gerichtsstand

Für alle Rechtsstreitigkeiten aus oder im Zusammenhang mit diesen Umtauschbedingungen, den jeweiligen Umtauschaufträgen der 2019/2024 Anleihegläubiger sowie allen vertraglichen und außervertraglichen Schuldverhältnissen, die sich aus oder im Zusammenhang damit ergeben, ist, soweit rechtlich zulässig, ausschließlicher

themselves about any restrictions applicable outside of Germany and Luxembourg and to comply with these legal restrictions. The Issuer does not warrant that the sending, distribution or dissemination of this Offer or the acceptance of the Exchange Order or the subscription order outside of Germany and Luxembourg complies with the respective foreign regulations. The sending, distribution and dissemination of this Offer outside of Germany and Luxembourg will not take place on behalf of the Issuer or the Exchange Agent.

(3) In addition, all publications and other notices made by the Issuer in connection with the Offer shall be published exclusively on the company's website, unless there exists a further obligation to publish.

(4) This Offer has been drafted in German. In addition, the Issuer provides a nonbinding English translation. The German version is relevant and solely binding in law. The English translation is not binding and for information only.

14. Applicable law

These Terms and Conditions of Exchange, the respective Exchange Orders of the 2019/2024 Bondholders as well as any contractual and non-contractual obligation arising out of or in connection therewith are governed by German law.

15. Place of jurisdiction

To the extent permitted by statute, the courts of Frankfurt am Main, Germany, have exclusive jurisdiction to settle any dispute arising out of or in connection with these Terms and Conditions of Exchange, the respective Exchange Orders of the 2019/2024 Bondholders as well as any contractual and noncontractual

Gerichtsstand Frankfurt am Main,
Bundesrepublik Deutschland.

obligation arising out of or in connection
therewith.

Risikohinweise und Hinweis auf den Wertpapierprospekt

Den 2019/2024 Anleihegläubigern wird empfohlen, vor der Entscheidung über die Abgabe eines Angebots zum Umtausch ihrer Schuldverschreibungen 2019/2024 den Wertpapierprospekt der Emittentin vom 14. Juni 2023 ("**Wertpapierprospekt**") über die Neuen Schuldverschreibungen und etwaige zukünftig veröffentlichte Nachträge zu dem Wertpapierprospekt aufmerksam zu lesen und insbesondere die im Abschnitt "Risikofaktoren" beschriebenen Risiken bei ihrer Entscheidung zu berücksichtigen.

Der Wertpapierprospekt und etwaige zukünftig veröffentlichte Nachträge zu dem Wertpapierprospekt, auf deren Grundlage dieses Umtauschangebot erfolgt, werden in elektronischer Form auf der Internetseite der Emittentin unter www.hoermann-gruppe.com im Bereich Investor Relations und auf der Internetseite der Luxemburger Börse (www.luxse.com) veröffentlicht.

Sofern die Emittentin ihr Recht zur vorzeitigen Rückzahlung gemäß §10.2 der Anleihebedingungen der Schuldverschreibungen 2019/2024 ausübt, erhalten 2019/2024 Anleihegläubiger, die das Umtauschangebot nicht angenommen haben, am oder um den Rückzahlungstermin einen Betrag in Höhe von EUR 2,30 je ausstehender Schuldverschreibung 2019/2024 zuzüglich der bis zum Rückzahlungstermin aufgelaufenen und noch nicht ausgezahlten Zinsen.

Risk information and reference to securities prospectus

The 2019/2024 Bondholders are advised to carefully read and review the securities prospectus of the Issuer dated 14 June 2023 ("**Securities Prospectus**") dealing with the New Bonds and any supplements to the Securities Prospectus published in future, prior to the decision to make an offer for the exchange of their 2019/2024 Bonds, and in particular, to take into account the risks described in the "Risk Factors" section.

The Securities Prospectus and any supplements to the Securities Prospectus published in future, based on which this Exchange Offer is made are published electronically on the Issuer's website www.hoermann-gruppe.com in the Investor Relations part and on the website of the Luxembourg Stock Exchange (www.luxse.com).

In case the Issuer exercises its early redemption right pursuant to §10.2 of the bond terms of the 2019/2024 Bonds, 2019/2024 Bondholders who have not accepted the Exchange Offer will receive on or about the redemption date, an amount equal to EUR 2.30 per outstanding 2019/2024 Bond plus accrued and unpaid interest to the redemption date.

GENERAL INFORMATION ABOUT THE ISSUER

Establishment, company name, registered office, financial year, capital and duration of the Company

Hörmann Industries GmbH is a limited liability company under German law (*Gesellschaft mit beschränkter Haftung*) that has its registered office in Kirchseeon near Munich and is registered in the commercial register (*Handelsregister*) of the local court (*Amtsgericht*) of Munich under HRB 141701. The legal name of the Issuer is "Hörmann Industries GmbH" and the commercial name of the Issuer is "Hörmann". The LEI-code of the Issuer is 5299009E2YKF66FJZ622.

The Company was established on 20 May 1994 under the name Miniruf GmbH, with its registered office in Hanover. Upon the entry into force of the amendments to the articles of association and the merger on 24 May 2005, the Company was renamed Hörmann Finance GmbH, with its registered office in Kirchseeon. In 2017 the Company was renamed Hörmann Industries GmbH.

The Company's financial year is the calendar year and it operates under the name "Hörmann Group".

The Company's share capital amounts to EUR 200,000 comprising four shares with nominal values of EUR 150,000, EUR 10,000, EUR 10,000 and EUR 30,000, respectively, and is paid up in full. One vote is granted per EUR 50 share capital, and profit is distributed according to the proportion held in the share capital.

The Company has been established for an indefinite period. Its business premises are located where the Company has its registered office, Hauptstrasse 45-47, 85614 Kirchseeon, Germany. The Company can be contacted under the telephone number +49 8091 56 30 0.

The Issuer's website is www.hoermann-gruppe.com. The information on the website does not form part of this Prospectus unless that information is expressly incorporated by reference into this Prospectus.

Company history

The Hörmann Group, to which the Issuer belongs and whose group parent company is Hörmann Holding GmbH & Co. KG, is a group of companies with international operations.

Graduate engineer Hans Hörmann set up an engineering firm in 1955 focusing on the planning, construction and testing of lightning protection systems. By 1956, the staff had already risen to ten technicians.

The Company moved into the siren business in 1965. After it was quickly admitted to the small group of approved suppliers for the Federal Civil Defence Office (*Bundesamt für Zivilschutz*) in Bonn, Hans Hörmann's company established itself as a market leader for warning systems.

Hörmann made his first move into the field of industrial technology with electrical installations for the new Volkswagen plant in Salzgitter at the end of the 1960s. In the mid-1980s, Hörmann and his company, which by this time had evolved into a medium-sized group of companies (the "**Hörmann Group**"), established good business relations with the former East Germany thanks to the Company's long-standing contacts within the Volkswagen Group. Hörmann Barkas GmbH was established in Chemnitz in 1989 and its workforce increased from 40 to 200 employees within a very short space of time.

Hörmann GmbH, which was spun off from the "Hans Hörmann" company and belongs to the Hörmann Group, has focused exclusively on warning systems since 1996. Hörmann Kommunikation & Netze GmbH was set up in 2002 as an infrastructure service provider for the telecommunications industry. In 1991, the Hörmann Group took over the Company formerly known as Hochbauprojektierung Sachsen in Chemnitz, which now operates under the name Hörmann Bauplan. In 1993, it took over RAWEMA GmbH, an engineering company with business contacts in the then Soviet Union and other COMECON countries. This produced the Company now known as Hörmann Rawema Engineering & Consulting GmbH, which provides, among other things, engineering services for factory and production planning.

In 2003, the Hörmann Group took over Michels GmbH Komponentenbau Bus, now operating under the name Hörmann Automotive Saarbrücken GmbH. Hörmann Automotive St. Wendel GmbH was created in 2005 as a result of the takeover of the assets of GMU Gesellschaft für Metallumformtechnik mbH (the Kuhn Group). In the same year, the Hörmann Group acquired 50 % of the shares in the MAN plant in Penzberg, now known as Hörmann Automotive Penzberg GmbH. The remaining 50 % stake was acquired in 2008.

Hörmann Automotive Gustavsburg GmbH, which was spun off from MAN Nutzfahrzeuge AG, commenced operations in October 2007. The Hörmann Group acquired 60 % of the shares in this company, with MTB MAN Bus & Truck AG holding the remaining 40 %. In financial year 2010, the Automotive division was expanded as part of a targeted strategy involving the acquisition of Nowotech GmbH (now Hörmann Automotive Eislingen GmbH) and Modine Wackersdorf GmbH (now Hörmann Automotive Wackersdorf GmbH).

The legal structure of the Hörmann Industries Group was created in its current form in 2011 by incorporating Hörmann GmbH, Hörmann Kommunikation & Netze GmbH and Hörmann Automotive GmbH, along with their subsidiaries, into the Hörmann Industries Group.

At the end of 2013, Hörmann Industries Group acquired a majority stake in Hörmann Logistik GmbH, which has its registered office in Munich. The complete takeover of Hörmann Rawema Engineering & Consulting, based in Chemnitz, followed in 2015. These two takeovers allowed the Hörmann Industries Group to expand and complement its engineering portfolio in a targeted manner. As a result, the Engineering division can offer key engineering services from a single source in the industrial plant construction segment in its capacity as a general planner, production planner and manufacturer of highly automated logistics and intralogistics systems.

Based on the realignment at Funkwerk AG (which public available financial statements are incorporated by reference into this Prospectus) and the associated focus on train radio (GSM-R) and customer-specific video security systems, Hörmann Industries GmbH acquired approximately 26 % of the shares in Funkwerk AG in 2014 and around 52 % of the shares in Funkwerk AG in October 2016 (total 78 %).

At the beginning of September 2016, Hörmann Automotive Slovakia s.r.o. was established as an important step in the internationalisation of the Automotive division. Production of products requiring mainly subcontracted components was moved from Germany to the new plant in Bánovce nad Bebravou.

In November 2016, 90 % of the shares in VacuTec Meßtechnik GmbH were acquired as part of corporate group restructuring.

In 2017, Hörmann Industries Group succeeded in acquiring the remaining 40 % of the shares in Hörmann Automotive Gustavsburg GmbH and concluding a long-term framework supply agreement with MAN Truck & Bus AG.

Also in 2017, the Vehicle Engineering business unit was acquired from the Leadeq Group. The area with around 120 qualified development employees was integrated together with the et-parts GmbH into Hörmann Vehicle Engineering GmbH, Chemnitz.

In December 2017, the portfolio in the previous Services division was expanded through the acquisition of MAT Automationstechnik GmbH (now Hörmann Intralogistics Services GmbH), MAT Industrieservice GmbH (subsequently merged with Hörmann Industrieservice GmbH) and MAT Maschinenteknik GmbH.

In 2019, Hörmann Logistik GmbH, a subsidiary of Hörmann Industries GmbH, purchased 51 % in Klatt Fördertechnik GmbH, based in Neumarkt am Wallersee, Austria. Hörmann Logistik GmbH initially acquired a stake of 51 % in the specialist for intralogistics systems.

In 2019, as part of the strategic restructuring of the HÖRMANN Automotive manufacturing facility in Slovakia, which includes the associated large-scale expansion of the site from 7,000 m² to 25,000 m² and the relocation of production from Penzberg in Bavaria to Bánovce in Slovakia, a new production setup was created to ensure that customers in the commercial vehicle industry could reliably be supplied with products.

In order to expand this growing field in a targeted manner and to bundle the long-standing activities of the Hörmann Group in this segment, the strategic business division Intralogistics and the intermediate holding company Hörmann Intralogistics GmbH, Kirchseeon, were founded in the first half of 2022, into which the companies Hörmann Logistik GmbH, Munich, Hörmann Logistik Polska sp. z.o.o., Kraków, Poland, and Hörmann Klatt Conveyors GmbH, Neumarkt a. Wallersee, Austria, were incorporated. The above units were previously allocated to the Engineering division. Hörmann Logistik Systeme GmbH, Graz, Austria, was newly founded and consolidated in the reporting period for the first time. With investments in expanded product solutions, a sales-oriented internationalisation and a growth-oriented organisation, the new strategic business division Intralogistics is intended to become an earnings-oriented growth pillar for the Group.

To complete the value chain, the Services division with its subsidiaries Hörmann Services GmbH, Kirchseeon, Hörmann Industrieservice GmbH, Lehre/Wolfsburg, Hörmann Intralogistics Services GmbH (formerly Hörmann Automatisierungsservice GmbH), Salzgitter and MAT Maschinenteknik GmbH, Salzgitter, were also integrated into the new Intralogistics division in the first half of 2022. In the course of the integration, the remaining shares (33%) in MAT Maschinenteknik GmbH were acquired in 2022 and a further 33% in Hörmann Klatt Conveyors at the beginning of 2023. In addition, the newly founded Hörmann Energy Solutions GmbH started operations at the beginning of 2023 for the project planning, installation and maintenance of system solutions for regenerative energy generation and use.

At the end of April 2023, Funkwerk Systems GmbH, a subsidiary of Funkwerk AG, acquired a 60% stake in the Polish company Radionika sp. z o.o based in Gdansk, thus expanding its expertise in the Polish train radio market.

Object of the Company

Pursuant to section 2 of its articles of association, the object of Hörmann Industries GmbH is the acquisition, management and sale of domestic and foreign entities and companies or shares in these entities and companies, as well as the provision of services for subsidiaries and affiliated companies, the taking out and granting of loans within the Hörmann Group and the provision of retirement provision concepts for the employees of the Hörmann Group.

The Company can operate in related fields and execute all transactions related to the object of the Company. It can also invest in other companies with the same or similar objects.

Group structure

The Issuer is an indirect subsidiary of the Kirchseeon-based Hörmann Holding GmbH & Co. KG whose shares are held by the Hörmann family. This means that the Issuer is indirectly controlled by the Hörmann family. Together with its direct and indirect subsidiaries, Hörmann Industries Group consists of four divisions: Automotive, Engineering, Communication and Intralogistics.

Legal disputes

Other than the proceedings described in the risk factor "*Hörmann Industries Group is subject to litigation risks*", there are no governmental, legal or arbitration proceedings that are ongoing or have ended within the previous 12 months which may have, or have had in the recent past significant effects on the Issuer and/or Hörmann Industries Group's financial position or profitability.

Statutory Auditors

The independent auditors of Hörmann Industries GmbH are BDO AG Wirtschaftsprüfungsgesellschaft, Zielstattstraße 40, 81379 München, Germany ("**BDO**"), a member of the German Chamber of Public Accountants, Berlin, Germany (*Wirtschaftsprüferkammer*). BDO has been the responsible auditor of Hörmann Industries GmbH since 2012. BDO has audited the consolidated financial statements of Hörmann Industries GmbH and its subsidiaries for the financial years ended on 31 December 2022 and 2021, respectively, and has, in each case, issued an unqualified auditor's report.

Selected financial information

Unless otherwise indicated, the following financial information is taken from the Company's audited consolidated financial statements for financial years 2022 and 2021.

Selected items from the consolidated income statement

	1 January to 31 March 2023	1 January to 31 March 2022	1 January to 31 December 2022	1 January to 31 December 2021
Consolidated income statement	<i>in EUR million (unaudited)</i>		<i>in EUR million (audited)</i>	
Sales.....	172.1	127.0	685.7	589.8
<i>Automotive</i>	120.0	80.0	403.7	333.5
<i>Engineering</i>	6.9	5.1	21.6	23.0
<i>Communication</i>	33.2	35.0	180.2	169.9
<i>Intralogistics</i>	12.1	6.9	79.1	64.2
Increase in finished goods and work in progress.....	23.1	23.6	22.1	36.7
Other own work capitalised.....	0.1	0.0	1.1	0.3
Other operating income.....	2.4	2.3	16.1	11.6
Cost of materials.....	-118.1	-88.1	-419.9	-343.7
Total Output	195.3	150.6	709.0	626.8
Gross profit / loss.....	79.7	64.8	305.2	294.7
Personnel expenses.....	-48.8	-44.0	-179.7	-167.1
Depreciation and amortisation on intangible and tangible assets.....	-2.8	-2.7	-11.6	-15.3
Other operating expenses.....	-25.2	-19.3	-89.1	-81.0
Other taxes.....	-0.4	-0.4	-1.2	-1.2
EBITDA ⁽²⁾	5.3	1.2	35.3	45.3
<i>Automotive</i>	0.1	-2.3	3.7	4.6
<i>Engineering</i>	1.6	1.8	4.6	5.5
<i>Communication</i>	5.2	5.8	35.4	40.3
<i>Intralogistics</i>	0.0	-2.9	-2.1	1.6
<i>Holdings</i>	-1.6	-1.2	-6.3	-6.7
EBIT ⁽¹⁾	2.5	-1.5	23.7	30.0
<i>Automotive</i>	-1.2	-4.0	-2.7	-5.9
<i>Engineering</i>	1.4	1.6	4.0	4.3
<i>Communication</i>	4.1	5.3	31.7	37.1
<i>Intralogistics</i>	-0.4	-3.2	-3.3	1.1
<i>Holdings</i>	-1.4	-1.3	-6.0	-6.7
Financial Result.....	-1.0	-0.9	-3.3	-3.7
Income taxes.....	-1.4	-1.5	-8.5	-12.2
Deferred taxes.....	0.0	0.0	0.4	0.3
Consolidated net profit.....	0.1	-3.9	12.2	14.4

Alternative Performance Measures according to the Guidelines of the European Securities and Markets Authority (ESMA):

- (1) Earnings (gross profit/loss (sales, increase in finished goods and work in progress, other internally produced and capitalised assets, other operating income, cost of materials) less personnel costs, amortisations and depreciation on intangible and tangible assets and other operative expenses) before interests and taxes. The KPI shows the result of the Company independent from regional taxation and different methods of financing.
- (2) Earnings before interests, taxes, depreciations and amortisations on intangible and tangible assets.

Selected items from the consolidated statement of financial position

	31 March 2023	31 March 2022	31 December 2022	31 December 2021
	<i>in EUR million (unaudited)</i>		<i>in EUR million (audited)</i>	
Consolidated statement of financial position				
Fixed assets	77.4	84.8	77.6	85.5
Current assets	273.8	243.0	269.3	238.6
Prepaid expenses, deferred tax assets and excess of plan assets over pension liabilities	3.8	3.3	2.8	2.8
Total assets	370.2	346.0	364.8	341.7
Equity	130.8	126.2	136.4	131.1
Provisions	113.1	101.0	98.6	94.2
Liabilities	124.4	118.0	129.0	116.1
Total equity and liabilities	370.2	346.0	364.8	341.7

Selected items from the consolidated statement of cash flows

	1 January to 31 March 2023	1 January to 31 March 2022	1 January to 31 December 2022	1 January to 31 December 2021
	<i>in EUR million (unaudited)</i>		<i>in EUR million (audited)</i>	
Consolidated statements of cash flows				
From operating activities	2.7	-5.8	-7.2	21.1
From investing activities	-8.5	-2.6	-2.9	-3.5
From financing activities	-1.4	1.6	-10.4	-7.1

Selected other financial information

	As at 31 March 2023 or for the period from 1 January to 31 March 2023	As at 31 March 2022 or for the period from 1 January to 31 March 2022	As at 31 December 2022 or for the period from 1 January to 31 December 2022	As at 31 December 2021 or for the period from 1 January to 31 December 2021
	<i>in EUR million unless otherwise stated (unaudited)</i>			
Selected other financial information				
Alternative Performance Measures according to the Guidelines of the European Securities and Markets Authority (ESMA):				
Total financial liabilities ⁽²⁾	56.9	61.2	57.8	59.4
Net financial liabilities ⁽³⁾	-8.9	-25.7	-15.3	-34.3
Equity ratio in % ⁽⁵⁾	35.3%	36.5%	37.4%	38.4%
EBIT interest coverage ratio (as a multiple) ⁽¹⁾	1.9	-1.6	5.6	6.6
EBITDA interest coverage ratio (as a multiple) ⁽¹⁾	3.9	1.2	8.3	10.0
Total financial liabilities/EBITDA (as a multiple)	-	-	1.6	1.3
Net financial liabilities/EBITDA (as a multiple)	-	-	-0.4	-0.8
Risk bearing capital in % ⁽⁴⁾	32.6%	33.7%	34.7%	35.6%
Total financial liabilities/(equity + total financial liabilities)	0.3	0.3	0.3	0.3

(1) The EBIT interest coverage ratio and EBITDA interest coverage ratio are important indicators used by the Company to show the servicing of debt from operating activities. The EBIT interest coverage ratio is calculated by dividing EBIT by interest expenses and similar expenses:

	1 January to 31 March 2023	1 January to 31 March 2022	1 January to 31 December 2022	1 January to 31 December 2021
	<i>in EUR million (unaudited)</i>			
Consolidated income statement				
EBIT	2.5	-1.5	23.7	30.0
Interest expenses and similar expenses	1.3	1.0	4.2	4.5
EBIT interest coverage ratio (as a multiple)	1.9	-1.6	5.6	6.6

The EBITDA interest coverage ratio is calculated by dividing EBITDA by interest expenses and similar expenses:

	1 January to 31 March 2023	1 January to 31 March 2022	1 January to 31 December 2022	1 January to 31 December 2021
Consolidated income statement				
		<i>in EUR million (unaudited)</i>		
EBITDA.....	5.3	1.2	35.3	45.3
Interest expenses and similar expenses.....	1.3	1.0	4.2	4.5
EBITDA interest coverage ratio (as a multiple).....	3.9	1.2	8.3	10.0

(2) Total financial liabilities are calculated as the sum of the outstanding bond and liabilities to banks:

	31 March 2023	31 March 2022	31 December 2022	31 December 2021
		<i>in EUR million (unaudited)</i>		
Bond.....	50.0	50.0	50.0	50.0
Liabilities to banks.....	6.9	11.2	7.8	9.4
Total financial liabilities	56.9	61.2	57.8	59.4

(3) Net financial liabilities are calculated as the sum of total financial liabilities less cash-in-hand/bank balances:

	31 March 2023	31 March 2022	31 December 2022	31 December 2021
		<i>in EUR million (unaudited)</i>		
Total financial liabilities.....	56.9	61.2	57.8	59.4
Cash-in-hand/bank balances.....	65.9	86.9	73.1	93.7
Net financial liabilities	-8.9	-25.7	-15.3	-34.3

If the amount of cash-in-hand and bank balances is higher than the amount of the financial liabilities, the calculated amount describes net financial assets instead of net financial liabilities.

(4) Risk bearing capital is a variant of the equity ratio. The Company uses risk bearing capital and it forms part of the Company's risk management system. Risk bearing capital is the ratio of shareholders' equity to total assets, with both shareholders' equity and total assets being modified to reflect receivables from shareholders and deferred tax assets. The higher the equity ratio the higher the financial stability of the Company and the independence from debt providers.

	31 March 2023	31 March 2022	31 December 2022	31 December 2021
		<i>in EUR million unless otherwise stated (unaudited)</i>		
Equity.....	130.8	126.2	136.4	131.1
Receivables from/loans to shareholders	0.0	0.0	0.0	0.0
Deferred tax assets	15.0	0.0	15.0	14.7
Liable capital (modified shareholders' equity).....	116.0	111.5	121.6	116.4
Total assets.....	370.2	346.0	364.8	341.7
Receivables from/loans to shareholders	0.0	0.0	0.0	0.0
Deferred tax assets	15.0	0.0	15.0	14.7
Modified total assets.....	355.4	331.3	350.1	327.0
Ratio of liable capital to modified total assets	32.6%	33.7%	34.7%	35.6%

(5) The equity ratio forms part of the Company's risk management system and is calculated as the ratio of the equity shown in the consolidated statement of financial position to the total assets shown in the consolidated statement of financial position.

Issuer's corporate rating

The Issuer received a BB corporate rating (Outlook: stable) and a BB rating in relation to the Issuer's senior unsecured debt from Scope Ratings GmbH ("**Scope**") on 28 March 2023.

According to Scope, the BB rating means: "Entities with a BB rating still have sufficient structures to secure their future viability. However, they are subject to greater uncertainty. Negative business developments or changes in the financial and economic environment could result in them no longer being able to meet their financial obligations to an appropriate extent."

The rating scale used by Scope features various categories and ranges from AAA, the category with the highest credit rating, through the categories "AA", "A", "BBB", "BB", "B" and "C", to category "D". Category "D" is an indicator of insufficient creditworthiness (insolvency, negative features). A plus (+) or minus sign (-) can be added to each category from AA to CCC to denote the relative position within the category.

Scope is registered as a rating agency pursuant to Regulation (EC) No 1060/2009 as amended (the "**CRA Regulation**"). A current list of the rating agencies registered under the CRA Regulation can be found on the website of the European Securities and Markets Authority (ESMA) at <https://www.esma.europa.eu/credit-rating-agencies/cra-authorisation>.

A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the rating agency at any time.

The Bonds have not been rated.

BUSINESS ACTIVITIES

Overview of business activities

Hörmann Industries Group's activities are divided into the following four divisions:

Through its **Automotive** division, Hörmann Industries Group is one of the leading suppliers of metal components, modules and systems for the European commercial vehicle, construction and agricultural machinery industries. The Automotive division covers the entire value chain with its engineering, technology development, production and logistics services.

In the **Communication** division, Hörmann Industries Group (inter alia through Funkwerk AG and its subsidiaries, the "**Funkwerk Group**") is a technologically leading supplier of communication, information and warning systems. The focus is on hardware and software components for railway companies, public transportation, inland shipping and airports in addition to smart security systems to protect buildings, public spaces, industrial properties, transport and people. Funkwerk Group offers *inter alia* tailored solutions for voice and data communication using analogue and digital mobile networks (LTE, GSM-R) in rail transport.

Due to the dynamic market development and increase in market demand for sophisticated system solutions for intralogistics, for automation solutions for production, warehouse and distribution logistics as well as for services for these industries, Hörmann Industries Group bundled its activities previously included in the Services division and certain entities of the Engineering division in the newly created **Intralogistics division** in the first half of 2022. The Intralogistics division operates as a general contractor in the planning and implementation of turnkey material flow systems. With material flow concepts and complex storage strategies, intralogistics solutions are implemented for individual requirements, thereby enabling international customers from a wide range of industries to achieve enhancements in productivity and efficiency. The division's portfolio has been expanded to include the development, planning and manufacturing of conveyor systems. Through the integration of the Services division, the range of solutions will be expanded with aftersales service in Intralogistics division and vertical integration can be increased with in-house assembly services and commissioning.

In the **Engineering** division, Hörmann Industries Group operates in building and industrial planning and in vehicle development. This service range is supplemented by the development and production of detectors for measuring ionising radiation.

In the financial year ended 31 December 2022, Hörmann Industries Group generated a total output of around EUR 709.0 million (financial year ended 31 December 2021: EUR 626.8 million).

Automotive division

The Automotive division was dominant at Hörmann Industries Group in the financial year ended 31 December 2022, with sales of around EUR 403.7 million (financial year ended 31 December 2021: EUR 333.5 million), representing a share of almost 59 % of the Group's sales. The division has six locations, and a range of services comprising engineering, production and logistics. The following table shows the main activities in the Automotive division.

Engineering	Production	Logistics
<ul style="list-style-type: none"> • Development and construction of components 	<ul style="list-style-type: none"> • Forming by deep drawing, pressing, bending or profiling 	<ul style="list-style-type: none"> • Integrated supply chain management
<ul style="list-style-type: none"> • Creation of effective surfaces for tools 	<ul style="list-style-type: none"> • Tool cutting and laser cutting 	<ul style="list-style-type: none"> • Manufacturing network
<ul style="list-style-type: none"> • Deep drawing stimulations 	<ul style="list-style-type: none"> • Pipe processing 	<ul style="list-style-type: none"> • Online order processing
<ul style="list-style-type: none"> • Construction of prototype and serial production tools 	<ul style="list-style-type: none"> • Welding, soldering, bonding, riveting 	<ul style="list-style-type: none"> • Set commissioning

Engineering	Production	Logistics
<ul style="list-style-type: none"> • Production planning 	<ul style="list-style-type: none"> • Coating and assembly 	<ul style="list-style-type: none"> • Just-in-time delivery/just-in-sequence delivery

The largest site, with more than 650 employees, is Hörmann Automotive Gustavsburg GmbH, which specialises in the production of premium chassis and body parts and attachments for commercial vehicles as well as manufacturing of chassis side members.

The other sites include Hörmann Automotive St. Wendel GmbH, a manufacturer of metal components, modules and systems, particularly for the agricultural machinery industry; Hörmann Automotive Saarbrücken GmbH, which operates in the development and manufacture of interior systems for buses, complex welded assemblies through to full chassis for agricultural machinery and turnkey installation systems; Hörmann Automotive Wackersdorf GmbH, which operates in automotive module assembly and charging stations; Hörmann Automotive Eisingen GmbH, a manufacturer of luggage fuel tanks and hydraulic tanks as well as service hatches for busses and agricultural and construction machinery; Hörmann Automotive Slovakia s.r.o., which produces labour-intensive metal components and chassis attachments for the commercial vehicle industry; and Hörmann Automotive Assets GmbH, which holds assets and operating resources for companies in the Automotive division.

Communication division

The Communication division primarily operates in the development, manufacture, construction and maintenance of communication and security systems. In addition, the shareholding in Funkwerk Group is attributed to this division. In the view of the Company, Funkwerk AG is the market leader in the field of GSM-R train radio systems with a majority market share. The focus is on hardware and software components for railway companies, public transportation, inland shipping and airports in addition to smart security systems to protect buildings, public spaces, industrial properties, transport and people. Hörmann Kommunikation & Netze GmbH is a provider of installation, assembly and accompanying services for the public infrastructure relating to railway traffic and communication technology as well as energy supply. Hörmann Kommunikation & Netze GmbH has been a part of the Funkwerk Group since 1 August 2022. Hörmann Warnsysteme GmbH and Hörmann – KMT Kommunikations- und Meldetechnik GmbH, Salzburg, Austria, bundle the Hörmann Industries Group's siren warning systems for alerting the fire brigade or civilian disaster warning. The project-specific solutions are performed from a single source, from planning, development and realisation to long-term maintenance. In the financial year ended 31 December 2022, the Communication division generated sales of EUR 180.2 million (financial year ended 31 December 2021: EUR 169.9 million).

Intralogistics division

The Intralogistics division, comprising Hörmann Logistik GmbH, Hörmann Logistik Polska sp. z o.o. and Hörmann Logistik Systeme GmbH, operates as a general contractor in the planning and implementation of turnkey material flow systems. With material flow concepts and complex storage strategies, intralogistics solutions are implemented for individual requirements, thereby enabling international customers from a wide range of industries to achieve enhancements in productivity and efficiency. With Hörmann Klatt Conveyors GmbH (formerly Klatt Fördertechnik GmbH), the portfolio has been expanded to include the products and conveyor systems developed, planned and manufactured by the company. Hörmann Klatt Conveyors GmbH has become an international provider of conveyor systems for industry, airports, mail sorting centres, waste disposal and hospitals.

The service units Hörmann Services GmbH, Hörmann Industrieservice GmbH, Hörmann Intralogistics Services and MAT Maschinenteknik GmbH contribute a service portfolio in electrical, mechanical, control, robot, welding and conveyor technology, pneumatic and hydraulic systems, on-shift process technology maintenance and the assembly, commissioning and relocation of complete plants. Hörmann Energy Solutions GmbH, which was founded in 2022, plans, installs and maintains system solutions for generating and using regenerative energy. Hörmann Energy Solutions GmbH commenced operations at the start of 2023. In the financial year ended 31 December 2022, the Intralogistics division generated sales of EUR 79.1 million (financial year ended 31 December 2021: EUR 64.2 million).

Engineering division

The Engineering division largely comprises Hörmann BauPlan GmbH, Chemnitz, Hörmann Rawema Engineering & Consulting GmbH, Chemnitz, Hörmann Vehicle Engineering GmbH, Chemnitz, VacuTec Meßtechnik GmbH, Dresden and Hörmann Logistik GmbH, Munich. Hörmann Logistik Polska sp. z o.o., Gdansk, Poland and Hörmann Klatt Conveyors GmbH, Neumarkt a.Wallersee, Austria, were reassigned to the newly established Intralogistics division in 2022.

Hörmann Bauplan GmbH provides engineering services within the construction industry, with a particular focus on commercial and residential construction and especially technical building services. Hörmann Rawema Engineering & Consulting GmbH supplements the service range with general planning and realisation for new factories and the re-engineering and/or relocation of existing factories and facilities. Hörmann Vehicle Engineering GmbH harnesses its expertise and resources in high-tech design engineering for the development of rail and road vehicles. VacuTec Meßtechnik GmbH develops, produces and markets a broad range of detectors for measuring ionising radiation for use in medicine, industrial metrology and environmental monitoring.

The Engineering division generated sales of EUR 21.6 million in the financial year ended 31 December 2022 (financial year ended 31 December 2021: EUR 23.0 million). Due to the reassignment of certain companies to the new Intralogistics division, the sales figures were restated to improve comparability.

Procurement and suppliers

In the Automotive division, Hörmann Industries Group largely uses raw materials such as steel in the form of coils, slit strips, sheets and tubes in the production of its products. On average, Hörmann Industries Group purchases more than 200,000 tonnes of steel per year. The Group generally purchases semi-finished products – via the so-called extended workbench – and finished products to a lesser extent. These are used in Hörmann Industries Group's manufacturing process and products.

The purchase of raw materials and supplies as well as components in the Group is managed decentralised by the individual subsidiaries on a demand-oriented basis. The required materials are procured worldwide from various suppliers, with whom the units mostly work on a long-term basis. Depending on the volume, framework agreements are used, some of which have a term of several years. The Automotive division unit has a Strategic Purchasing department, which is responsible for additional cost-cutting potential by bundling a wide variety of product groups and services.

Since the 2021 financial year, purchasing has been faced with significant challenges relating to the excess demand in the steel market, the lack of availability of electronic components and the associated securing of material supplies for production. This situation was exacerbated again in 2022 due to the developments in Ukraine, resulting in supply bottlenecks having led to significant delivery delays and marked price increases. The price increases, especially for energy, as well as additional logistical expenses have strained the Group in the reporting period. At the same time, due to the sharp price-related increase in inventories in the course of 2022, the purchasing organisations were required to control the supply of materials in close cooperation with the production planning divisions in order to demand to reduce lead times.

Suppliers are very reluctant to make longer-term price and delivery commitments, which further increases the risk of future cost increases. The global and European procurement markets show unprecedented volatility and extraordinarily high inflationary tendencies with practically incalculable risks.

Customers, sales and marketing

Customers

In the Automotive division, the customers come from the utility vehicle sector (including MAN Trucks & Bus, Daimler Trucks and DAF), the bus and coach sector (including EvoBus), the agricultural machinery sector (CNH, Claas, John Deere) and the personal vehicle sector (including Mercedes-Benz, Audi and VW). The majority of the revenue is generated with utility vehicle manufacturers. Hörmann Industries GmbH's largest customer is MAN Trucks & Bus AG, which is part of the VW Group and a strategic partner of the issuer.

Customers in the Intralogistics division vary depending on the project. Reference projects were carried out for the following companies, among others: KraussMaffei, Porsche, Lindt, Kärcher, Green Bay Packaging.

The Communication division services customers such as Deutsche Bahn AG, Bane NOR, SBB, ÖBB and SNCF, as well as the European Central Bank, Alstom.

Customers in the Engineering division vary depending on the project. Reference projects have been carried out for the following companies among others: Deutsche Bahn AG, E.ON, Daimler, VW, Rolls Royce, Shenyang Liyuan Railway Vehicle, Siemens AG, Alstom, BMW and the pharmaceutical company Roche.

The sales per customer were as follows for the financial year ended 31 December 2022:

Customer	Sales in EUR million	Sales in %
MAN	151.8	22.1%
Deutsche Bahn	52.1	7.6%
Mercedes Benz – Daimler Truck	43.1	6.3%
DAF	32.9	4.8%
John Deere	21.6	3.2%
Volkswagen (without MAN)	17.6	2.6%
CNH	12.7	1.8%
Claas	9.9	1.4%
Alstom	9.9	1.4%
EvoBus	9.0	1.3%
Other	325.3	47.4%
Total	685.7	100%

The sales for the financial year ended 31 December 2022 amount to EUR 474 million in Germany, to EUR 36 million in Austria, to EUR 6 million in Switzerland, to EUR 6 million in the Nordics (Denmark, Finland, Sweden and Norway), to EUR 148 million in the rest of Europe and to EUR 13 million in the rest of the world.

Sales

Sales in Hörmann Industries Group are organised in accordance with the customer segment, although the organisation is focused exclusively on business customers ("**B2B**"). The focus is strongly on key account management with a customer adviser per key customer and customer segment with technical support. The key account management is additionally supported by the respective sales office. The focus here is on planning, calculation and quotes.

Marketing

Hörmann Industries Group relies on numerous different marketing activities to present the products it sells to as broad a spectrum of customers as possible.

Quality management

The Issuer sets high standards for the quality of its products because the fields of application require strict quality control. Hörmann Industries Group's entire production process is therefore subject to an extensive quality control process.

To ensure the high level of quality and the reliability of our products and services in the long term, the relevant processes in the Group's operating units are regularly reviewed according to the individual requirements and improved where necessary. The respective quality management systems are continuously certified or re-certified, as required. The requirements of the General Data Protection Regulation (GDPR) are monitored by an external data protection officer.

The Company also provides its employees with regular information and training measures in order to guarantee effective quality management.

Order Backlog

Hörmann Industries Group's order backlog amounted to EUR 555 million as of 30 March 2023 (30 March 2022: EUR 469 million), compared to EUR 461 million as of 31 December 2022. Regarding the individual divisions, the order book strongly varies. Whereas the Automotive division receives firm orders from its customers generally 10-12 weeks ahead, the Communication and Intralogistics division have long term projects and orderbook generally covers sales for the next 12-18 months.

Group Strategy

The Issuer has implemented its "Strategy 2025" to achieve strategic goals. To strengthen the competitiveness of the four divisions Automotive, Communication, Intralogistics and Engineering, the group strategy focuses on three main action fields:

- Firstly, the Issuer aims to strengthen the portfolio with investments in promising areas and innovations with high growth potential derived from relevant megatrends. The focus on growth investments is primarily in the divisions Communication and Intralogistics, both organically and through acquisitions of medium-sized companies. To balance the portfolio, a reduction of the dependency and customer concentration in the Automotive business segment is anticipated.
- Secondly, the Issuer focuses on profitability, especially with an operational excellence program in the Automotive division. Main levers are the optimisation of the European production footprint and the ongoing implementation of its lean production system and focused investments in automatisisation and digitalisation.
- Thirdly, the Issuer supports the divisions in major challenges the companies are facing currently and in the future (skills shortages, sustainability, digitalisation) as well as actively exploits opportunities to take advantage of relevant megatrends with four main action fields:
 - Digitalisation and new technologies
 - Urbanisation and new mobility
 - Climate change and scarcity of resources
 - Demographic and social change

Group Sustainability Strategy

The Group is committed to the Agenda 2030 for Sustainable Development and has acknowledged the 17 Sustainable Development Goals ("SDGs"). In connection with the Group's business activities and the principle of materiality, the following goals and indicators are particularly relevant for the Group: "Good health and well-being", "Quality education", "Reduced inequalities and gender equality", "Decent work and economic growth", "Industry, innovation and infrastructure", "Responsible consumption and production" and "Climate action". In April 2023, the Group has published its second sustainability report on the basis of the internationally recognised Global Reporting Initiative ("GRI"). The Group's sustainability strategy is based on four pillars:

Embedding Sustainability Culture:

- Implement sustainability management as a component of corporate leadership
- Enable and encourage all employees and managers to think and act sustainably
- Develop a roadmap for realising the strategy goals and provide the necessary financial resources

Becoming Climate-neutral:

- Accelerate the transition to renewable energies
- Support the goals of the Paris Climate Agreement and reduce CO₂ emissions (Scope 1 and 2) by 42 per cent. by 2030
- Climate neutrality of the HÖRMANN Group by 2045 (incl. Scope 3 emissions)

Sustainable Value Chains:

- Creating transparency in supply chains to protect human rights and sustainability.
- Continuous investments in digitalisation and networking of all business processes (internal and external)
- Reduction of resource consumption in production and business processes

Progress for the People:

- Strengthen employee satisfaction and retention
- Create a modern working environment with development opportunities
- Increase equal opportunities and diversity

The Group's sustainability report 2022 is published on its website (https://www.hoermann-gruppe.com/sites/gruppe/files/media/downloads/hoermann-gruppe_nachhaltigkeitsbericht_2022_en_1.pdf)
The information on this website is for information purposes only and does not form part of this Prospectus.

Employees

In the financial year ending 31 December 2022, Hörmann Industries Group employed an average of 2,876 (financial year ending 31 December 2021: 2,787) persons.

There are works councils in the main subsidiaries and companies of Hörmann Industries Group.

Recent events

Hörmann Industries Group, via its subsidiary Funkwerk AG, has expanded its investment portfolio by acquiring 60 per cent. of the shares in Polish company Radionika sp. z o.o. based in Gdansk, thus widening its expertise in the Polish train radio market.

Trend information

There has been no material adverse change in the prospects of the Issuer since 31 December 2022, the date of its last published audited annual financial statements.

Significant change in financial performance or financial position

There has been no significant change in the financial performance or the financial position of the Hörmann Industries Group since 31 March 2023, the end of the last financial period for which financial information has been published.

Material contracts

A framework supply agreement with a minimum term until 31 December 2024 is in place between Hörmann Automotive Gustavsburg GmbH, Hörmann Automotive Slovakia s.r.o and MAN AG / MTB MAN Truck & Bus.

A framework supply agreement with a minimum term until 31 December 2023 is in place between Hörmann Automotive Gustavsburg GmbH, Hörmann Automotive Slovakia s.r.o. and Daimler Trucks. In addition, annual price agreements with a term of 12 months are concluded with the customer.

A framework supply agreement, the minimum term of which has expired, is in place between Hörmann Automotive Gustavsburg GmbH and DAF. There are ongoing negotiations between Hörmann Automotive Gustavsburg GmbH and DAF to conclude a new framework supply agreement.

A framework supply agreement with a minimum term until 3 September 2023 is in place between Hörmann Automotive St. Wendel GmbH, Hörmann Automotive Saarbrücken GmbH, Hörmann Automotive Eislingen GmbH, Hörmann Automotive Banovce s.r.o. and John Deere.

Upon expiry of the minimum term, the framework agreements continue to be in effect and can generally be terminated by either party giving notice of one or three months, respectively.

A product specific framework supply agreement with a minimum term until 31 December 2028 is in place between Hörmann Automotive Gustavsburg GmbH and Mercedes Benz AG.

Profit and loss transfer agreements are in place between Hörmann Industries Group and its immediate subsidiaries Hörmann Warnsysteme GmbH, Hörmann Rawema Engineering & Consulting GmbH, Hörmann Bauplan GmbH, VacuTec Meßtechnik GmbH, Hörmann Services GmbH, Hörmann Digital GmbH and Hörmann Automotive GmbH. Profit and loss transfer agreements are also in place between Hörmann Automotive GmbH and its subsidiaries Hörmann Automotive St. Wendel GmbH, Hörmann Automotive Saarbrücken GmbH, Hörmann Automotive Eislingen GmbH and Hörmann Automotive Wackersdorf GmbH.

Hörmann Industries Group and its subsidiaries have also concluded agreements with other Hörmann Group companies for provision of internal services, in particular IT and controlling services, financing brokerage, insurance services and similar types of services.

A revolving credit facility in an amount of EUR 40,000,000 with a term until December 2025 is available to Hörmann Industries Group.

Guarantee line agreements are in place between Hörmann Industries GmbH and several guarantee and bonding insurance companies such as SwissRe, Zurich, Tryg, Coface, R&V and others. This allows the operating subsidiaries to draw on guarantees and sureties.

CORPORATE BODIES, MANAGEMENT OF THE COMPANY

Overview

The corporate bodies of the Issuer are the managing directors (*Geschäftsführer*) and the Shareholders' Meeting (*Gesellschafterversammlung*). The responsibilities of these corporate bodies are governed by the Limited Liability Companies Act (*Gesetz betreffend die Gesellschaften mit beschränkter Haftung, GmbHG*) and the articles of association. There is no advisory board or supervisory board. The managing directors can be contacted at the Company's business address at Hauptstrasse 45-47, 85614 Kirchseeon.

Management

Dr. Ing. Michael Radke (Chief Executive Officer, CEO), Johann Schmid-Davis (Chief Financial Officer, CFO) and Dr. Ing. Christian E. Baur (Chief Technical Officer, CTO) represent the Company as managing directors. All managing directors are released from the restrictions set out in section 181 Civil Code (*Bürgerliches Gesetzbuch, BGB*). The appointment as managing director is unlimited in time and, like the current power of representation, can be revoked or amended by shareholder resolution.

In addition to their roles as managing directors, Dr. Ing. Michael Radke, Johann Schmid-Davis and Dr. Ing. Christian E. Baur hold various management and executive functions at Hörmann Group.

Dr. Michael Radke is a member of the bodies set out below outside of Hörmann Industries Group:

- Managing director of Hörmann Verwaltungs GmbH, Hörmann Beteiligungsholding GmbH, Hörmann Automotive GmbH, all located in Kirchseeon
- Managing director of Hörmann Automotive Saarbrücken GmbH, Saarbrücken
- Chairman of the supervisory board of Funkwerk AG, Köllda
- Chairman of the supervisory board of Hörmann Automotive Gustavsburg GmbH, Gustavsburg

Johann Schmid-Davis is a member of the bodies set out below outside of Hörmann Industries Group:

- Managing director of Hörmann Verwaltungs GmbH, Hörmann Beteiligungsholding GmbH, Hörmann Intralogistics GmbH, all located in Kirchseeon
- Managing director of Hörmann Ermafa GmbH, Chemnitz
- Member of the board of directors (*Vorstand*) of Versorgungswerk Hörmann Gruppe e.V., Traunstein
- Member of the board of directors (*Vorstand*) of Hans Hörmann Stiftung e.V., Kirchseeon
- Managing director of Hörmann Automotive Assets GmbH and Vice-chairman of the supervisory board of Funkwerk AG, Köllda
- Member of the supervisory board of Hörmann Automotive Gustavsburg GmbH, Gustavsburg
- Managing director of Hans Hörmann Holding Verwaltungs GmbH and AIC Hörmann Verwaltungs GmbH
- Managing director of Hörmann Automotive Penzberg GmbH, Kirchseeon

Dr. Ing. Christian E. Baur is a member of the bodies set out below outside of Hörmann Industries Group:

- Managing director of Hörmann Verwaltungs GmbH, Hörmann Beteiligungsholding GmbH, Hörmann Services GmbH, Hörmann Intralogistics GmbH, all located in Kirchseeon
- Managing director of Hörmann Digital GmbH, Kirchseeon

Shareholders' Meeting

The Shareholders' Meeting is the meeting of the shareholders and thus the highest body of the Company. The Shareholders' Meeting has the right to decide on all matters relating to business operations. Any resolutions taken by the shareholders generally require a simple majority unless stipulated otherwise by the law or the articles of association. As a rule, the Shareholders' Meeting is convened once a year (annual general meeting). In addition, the Shareholders' Meeting must be convened if doing so is in the Company's best interests or if a shareholder demands that a meeting be convened.

The shareholders of the Issuer are currently Hörmann Beteiligungsholding GmbH (85 %), Hans Hörmann Holding GmbH & Co. KG (14 %) and Hörmann Holding GmbH & Co. KG (1 %).

Potential conflicts of interests

Dr. Michael Radke is also managing director with sole power of representation of Hörmann Beteiligungsholding GmbH and Hörmann Verwaltungs GmbH (managing general partner of Hörmann Holding GmbH & Co. KG).

Johann Schmid-Davis is also managing director with sole power of representation of Hörmann Beteiligungsholding GmbH, Hörmann Verwaltungs GmbH (managing general partner of Hörmann Holding GmbH & Co. KG) and Hans Hörmann Holding Verwaltungs GmbH (managing general partner of Hans Hörmann Holding GmbH & Co. KG). The interests of Hörmann Beteiligungsholding GmbH, Hörmann Holding GmbH & Co. KG and Hans Hörmann Holding GmbH & Co. KG do not necessarily coincide with those of the Issuer.

Dr. Ing. Christian E. Baur is also managing director of Hörmann Beteiligungsholding GmbH and Hörmann Verwaltungs GmbH (managing general partner of Hörmann Holding GmbH & Co. KG).

Other than described above, as of the date of this Prospectus, the managing directors of the Issuer do not have potential conflicts of interests between any duties to the Issuer and their private interests and other duties.

TAXATION WARNING

THE TAX LEGISLATION OF THE STATE OF RESIDENCE OF A PROSPECTIVE INVESTOR OF BONDS OR OF A JURISDICTION WHERE A PROSPECTIVE INVESTOR OF BONDS IS SUBJECT TO TAXATION, AND THE TAX LEGISLATION OF THE ISSUER'S COUNTRY OF INCORPORATION MAY HAVE AN IMPACT ON THE INCOME RECEIVED FROM THE BONDS. PROSPECTIVE INVESTORS OF BONDS ARE ADVISED TO CONSULT THEIR OWN TAX ADVISERS AS TO THE TAX CONSEQUENCES OF THE PURCHASE, OWNERSHIP AND DISPOSITION OF BONDS.

SUBSCRIPTION AND SALE OF THE BONDS

Underwriting and placement

An underwriting of the Bonds or firm commitment to the underwriting of the Bonds by the Manager is not intended. The Issuer has agreed to pay certain fees to the Manager and to reimburse the Manager for certain expenses incurred in connection with the issue of the Bonds. From time to time, the Manager and its affiliates have performed, and may in the future perform, investment banking and advisory services for the Issuer for which it has received, or will receive, customary fees and expenses.

Selling Restrictions

General

The public offer is made exclusively by the Issuer in Germany and Luxembourg. In addition, a private placement may be made to qualified investors and other investors in accordance with the applicable exemption provisions. The Bonds may only be offered to the extent that such offer is compatible with the applicable laws.

Each of the Manager and the Issuer will ensure that it complies and will comply with all applicable laws and regulations in each country or jurisdiction in or from which it purchases, offers, sells or delivers Bonds or possesses, distributes or publishes this Prospectus or any related offering material and will obtain any consent, approval or permission required by it for the purchase, offer, sale or delivery by it of Bonds under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers, sales or deliveries.

European Economic Area

In relation to each Member State of the European Economic Area (each a "**Relevant Member State**"), each of the Manager and the Issuer will ensure that it has not made and will not make an offer of Bonds which are the subject of the offering contemplated by this Prospectus to the public in that Relevant Member State other than the offers contemplated in this Prospectus in Germany and Luxembourg from the time this Prospectus has been approved by the CSSF and published and notified to the relevant competent authorities in accordance with the Prospectus Regulation, and provided that the Issuer has consented in writing to use of this Prospectus for any such offers, except that the Manager may make an offer of such Bonds to the public in that Relevant Member State:

- (a) Qualified investors: to any legal entity which is a qualified investor as defined in the Prospectus Regulation;
- (b) Fewer than 150 offerees: to fewer than 150, natural or legal persons (other than qualified investors as defined in the Prospectus Regulation), as permitted under the Prospectus Regulation; or
- (c) Other exempt offers: in any other circumstances which do not require the publication by the Issuer of a prospectus pursuant to Article 1(4) of the Prospectus Regulation, provided that no such offer of Bonds shall require the Issuer or the Manager to publish a prospectus pursuant to Article 1(4) of the Prospectus Regulation.

For the purposes of this provision, the expression an "**offer to the public**" in relation to any Bonds in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Bonds to be offered so as to enable an investor to decide to purchase or subscribe the Bonds.

United Kingdom

Each of the Manager and the Issuer will ensure that:

- (a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000, as amended ("**FSMA**")) received by it in connection with the issue or sale of any Bonds in circumstances in which section 21(1) of the FSMA does not apply to the Issuer; and

- (b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Bonds in, from or otherwise involving the United Kingdom.

INCORPORATION BY REFERENCE

The specified pages of the following documents which have previously been published or are published simultaneously with this Prospectus and which have been filed with the CSSF are incorporated by reference into and form part of this Prospectus:

1) the unaudited consolidated German language interim report of the Issuer for the period from 1 January 2023 to 31 March 2023:

- Consolidated Balance Sheet – Assets (page 22),
- Consolidated Balance Sheet – Equity and Liabilities (page 23),
- Consolidated Income Statement (page 24),
- Consolidated Cash Flow Statement (page 25),
- Consolidated Statement of Changes in Fixed Assets (pages 26 to 27), and
- Consolidated Statement of Equity Changes (page 28).

<https://dl.bourse.lu/dlp/10d4b2d3eb19294306a2633b9271b2bc59>

2) the audited consolidated German language financial statements of the Issuer as of and for the financial year ended 31 December 2022 prepared in accordance with the requirements of German commercial law, consisting of:

- Consolidated Balance Sheet – Assets (page 86),
- Consolidated Balance Sheet – Equity and Liabilities (page 87),
- Consolidated Income Statement (page 88),
- Consolidated Cash Flow Statement (page 89),
- Consolidated Statement of Changes in Fixed Assets (pages 90 to 91),
- Consolidated Statement of Equity Changes (page 92),
- Notes for the financial year from 1 January 2022 to 31 December 2022 (pages 96 to 109), and
- Independent Auditor's Report (pages 110 to 112).

<https://dl.bourse.lu/dlp/10cd42514e670d46cc894468d0e9491bd1>

3) the audited consolidated German language financial statements of the Issuer as of and for the financial year ended 31 December 2021 prepared in accordance with the requirements of German commercial law, consisting of:

- Consolidated Balance Sheet – Assets (page 88),
- Consolidated Balance Sheet – Equity and Liabilities (page 89),
- Consolidated Income Statement (page 90),
- Consolidated Cash Flow Statement (page 91),
- Consolidated Statement of Changes in Fixed Assets (pages 92 to 93),
- Consolidated Statement of Equity Changes (page 94),

- Notes for the financial year from 1 January 2021 to 31 December 2021 (pages 98 to 111), and
- Independent Auditor's Report (pages 112 to 114).

<https://dl.bourse.lu/dlp/10288cbe932ddf4f4cbe5364ccb45c2fc4>

4) the unaudited consolidated German language interim report of the Funkwerk AG for the period from 1 January 2023 to 31 March 2023:

- Consolidated Balance Sheet (pages 8 to 9), and
- Consolidated Income Statement (page 10).

<https://dl.bourse.lu/dlp/109e8257e3bc474efe8cefeb2af4bbf4c>

5) the audited consolidated German language financial statements of the Funkwerk AG as of and for the financial year ended 31 December 2022 prepared in accordance with the requirements of German commercial law, consisting of:

- Consolidated Balance Sheet (pages 74 and 75),
- Consolidated Income Statement (page 76),
- Notes for the financial year from 1 January 2022 to 31 December 2022 (pages 78 to 93),
- Consolidated Statement of Changes in Fixed Assets (pages 94 to 95),
- Consolidated Cash Flow Statement (page 97),
- Consolidated Statement of Equity Changes (pages 98 to 99), and
- Independent Auditor's Report (pages 101 to 106).

<https://dl.bourse.lu/dlp/101ca90edd479444d1902479c422ae3b3b>

6) the audited consolidated German language financial statements of Funkwerk AG as of and for the financial year ended 31 December 2021 prepared in accordance with the requirements of German commercial law, consisting of:

- Consolidated Balance Sheet (pages 70 and 71),
- Consolidated Income Statement (page 72),
- Notes for the financial year from 1 January 2021 to 31 December 2021 (pages 74 to 89),
- Consolidated Statement of Changes in Fixed Assets (pages 90 to 91),
- Consolidated Cash Flow Statement (page 93),
- Consolidated Statement of Equity Changes (pages 94 to 95), and
- Independent Auditor's Report (pages 97 to 101).

<https://dl.bourse.lu/dlp/1069dc23f4c3cd414d935c0a7ecb60194e>

Any information not incorporated by reference into this Prospectus but contained in one of the documents mentioned as source documents in the cross-reference list above is either not relevant for the investor or covered in another part of this Prospectus

The documents incorporated by reference are also available on the website of the Luxembourg Stock Exchange (www.luxse.com).

NAMES AND ADDRESSES

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