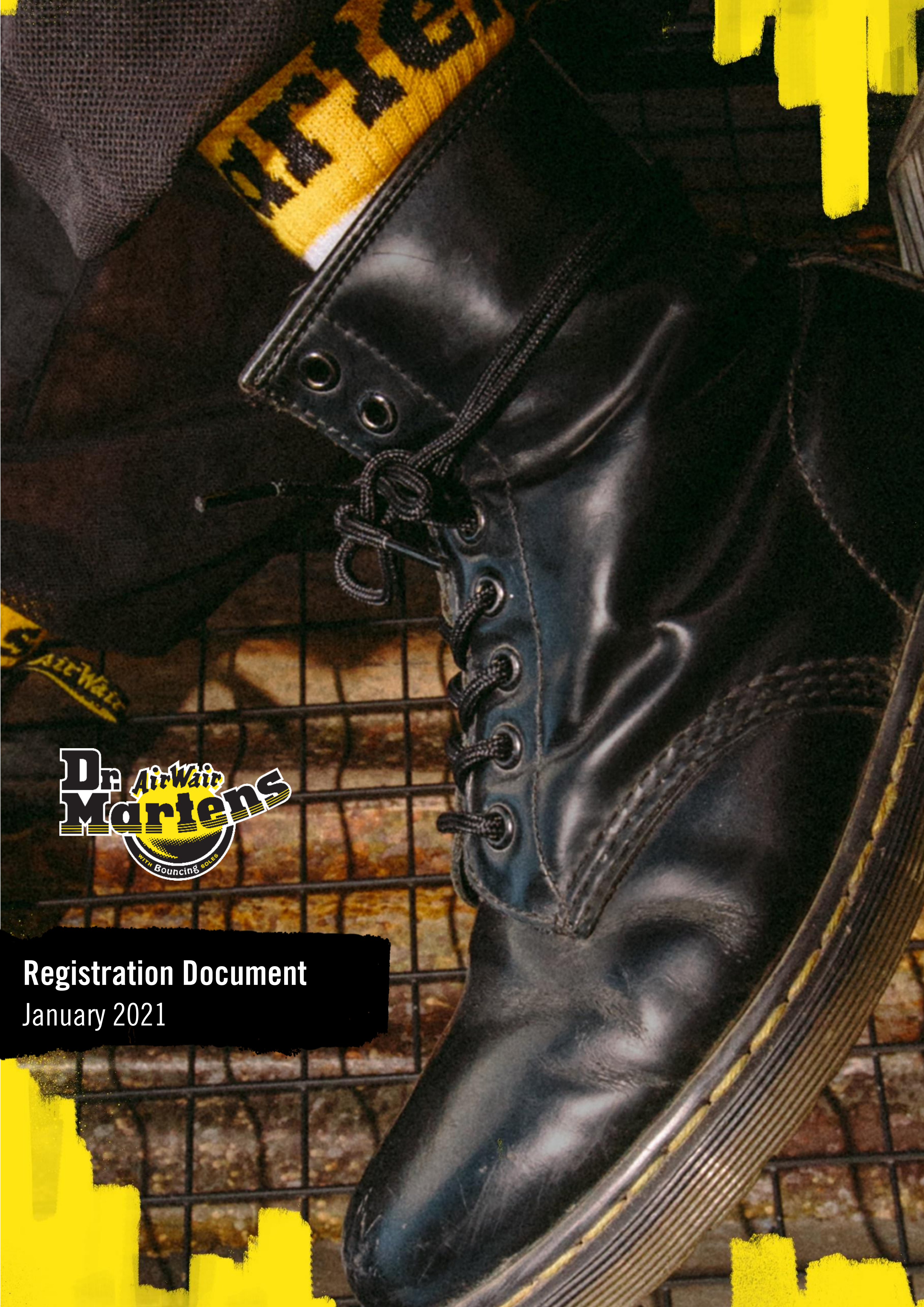


Registration Document

January 2021

This document comprises a registration document (the "Registration Document") relating to Dr. Martens Limited (the "Company") prepared in accordance with the Prospectus Regulation Rules of the Financial Conduct Authority (the "FCA") made under Section 73A of the Financial Services and Markets Act 2000 (the "FSMA"). A copy of this Registration Document has been filed with, and approved by, the FCA (as competent authority under Regulation (EU) 2017/1129 as it forms part of retained EU law as defined in the EU (Withdrawal) Act 2018) and has been made available to the public in accordance with the Prospectus Regulation Rules. The FCA only approves this Registration Document as meeting the standards of completeness, comprehensibility and consistency imposed by Regulation (EU) 2017/1129 as it forms part of retained EU law as defined in the EU (Withdrawal) Act 2018, and such approval should not be considered as an endorsement of the company that is the subject of this Registration Document.

The directors of the Company, whose names appear on page 59 of this Registration Document (the "Directors"), and the Company accept responsibility for the information contained in this Registration Document. To the best of the knowledge of the Directors and the Company, the information contained in this Registration Document is in accordance with the facts and this Registration Document makes no omission likely to affect its import.

This Registration Document should be read in its entirety. See Part 1 (*Risk Factors*) for a discussion of certain risks relating to the Company and its subsidiaries and subsidiary undertakings (the "Group" or "Dr. Martens").

Dr. Martens Limited

(Incorporated under the Companies Act 2006 and registered in England and Wales with registered number 12960219)

No representation or warranty, express or implied, is made and no responsibility or liability is accepted by any person, other than the Company and the Directors, as to the accuracy, completeness, verification or sufficiency of the information contained herein, and nothing in this Registration Document may be relied upon as a promise or representation in this respect, as to the past or future. No person is or has been authorised to give any information or to make any representation not contained in or not consistent with this Registration Document and, if given or made, such information or representation must not be relied upon as having been authorised by or on behalf of the Company or the Directors. Without limitation, the contents of the websites of the Group do not form part of this Registration Document and information contained therein should not be relied upon by any person. The delivery of this Registration Document shall not, under any circumstances, create any implication that there has been no change in the business or affairs of the Group since the date of this Registration Document or that the information contained herein is correct as of any time subsequent to its date.

This Registration Document may be combined with a securities note and summary to form a prospectus (the "Prospectus") in accordance with the Prospectus Regulation Rules. A prospectus is required before an issuer can offer transferable securities to the public or request the admission of transferable securities to trading on a regulated market. However, this Registration Document, where not combined with the securities note and summary to form a prospectus, does not constitute an offer or invitation to sell or issue, or a solicitation of an offer or invitation to purchase or subscribe for, any securities in the Company in any jurisdiction, nor shall this Registration Document alone (or any part of it), or the fact of its distribution, form the basis of, or be relied upon in connection with, or act as any inducement to enter into, any contract or commitment whatsoever with respect to any offer or otherwise.

Any securities referred to in this Registration Document have not been, and will not be, registered under the US Securities Act of 1933, as amended (the "US Securities Act") or with any securities regulatory authority of any state of the United States, and may not be offered, sold, pledged or otherwise transferred in the United States absent registration under the US Securities Act except to qualified institutional buyers ("QIBs") as defined in Rule 144A under the US Securities Act ("Rule 144A") or another exemption from, or in transactions not subject to, the registration requirements of the US Securities Act. Any securities referred to in this Registration Document have not been and will not be registered under the applicable securities laws of Australia, Canada or Japan and, subject to certain exceptions, may not be offered or sold within Australia, Canada or Japan or to any national, resident or citizen of Australia, Canada or Japan.

This Registration Document speaks only as of the date hereof. The definitions commencing on page 159 of this Registration Document apply throughout this Registration Document, including the cover page, except where the context indicates otherwise.

Important notice

The distribution of this Registration Document in certain jurisdictions may be restricted by law. Other than in the United Kingdom, no action has been taken or will be taken to permit the possession or distribution of this Registration Document in any jurisdiction where action for that purpose may be required or where doing so is restricted by law. In the United States, you may not distribute this Registration Document or make copies of it without the Company's prior written consent other than to people you have retained to advise you in connection with this Registration Document, or persons reasonably believed by the Company to be QIBs. Accordingly, neither this Registration Document nor any advertisement nor any offering material may be distributed or published in any jurisdiction, other than in the United Kingdom, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Registration Document comes should inform themselves about and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of the securities laws of any such jurisdiction.

PART 1

Risk Factors

The risk factors described below are not an exhaustive list or explanation of all risks relating to the Group and should be used as guidance only. Additional risks and uncertainties relating to the Group that are not currently known to the Company, or that the Company currently deems immaterial, may individually or cumulatively also have a material adverse effect on the Group's business, results of operations, financial condition and prospects.

1. Risks relating to the Group's business

1.1. The Group's business is dependent on the image and reputation of the Dr. Martens brand.

The Group's business and financial performance is largely dependent on the image, perception and recognition of the Dr. Martens brand, which, in turn, depends on many factors such as the distinctive character and quality of its products, product design, the image and presentation of its stores and e-commerce website, its communication activities including social media, advertising, public relations and marketing, and its general corporate and market profile, which can be adversely affected for reasons within and outside the Group's control. For example, negative publicity arising from product defects or widespread recalls (as occurred in 2017 when the Group voluntarily recalled approximately 45,000 pairs upon detecting restricted chemicals in its vegan range) could adversely impact future sales, even if the direct cost of remediation was not material.

The Group's brand value also depends on its ability to maintain a positive consumer perception of its corporate integrity and culture. Negative claims or publicity involving the Group or its products, or the production methods of any of its suppliers (for example, claims about factory working conditions), could seriously damage the Group's reputation and brand image, regardless of whether such claims or publicity are accurate. The Group's social media presence amplifies consumer engagement with the Dr. Martens brand but comes with less control due to consumer comments and hashtags compared to more traditional public relations and marketing methods, which could associate the brand with content which is not aligned with the Group's values. Further, the Group's brand reputation could be harmed if it became associated with negative media, for example, extreme political groups, if members of such groups decided to associate themselves with the brand by wearing the Group's footwear. These risks are particularly acute to the Group, given its highly-engaged consumer base and strong consumer trust levels. The Group's brand reputation could also be harmed if the Group experiences a cyber-attack or loss of consumer data (see also "*The Group is subject to cyber security risks and security breaches.*" and "*Direct privacy breaches or any failure to protect confidential information could harm the Group's reputation and expose it to litigation.*" in this Part 1 (*Risk Factors*)). In addition, the Group may from time to time take positions on social issues that may be unpopular with some consumers, which may impact its ability to attract or retain such consumers. Adverse publicity could undermine consumer confidence in the Dr. Martens brand and reduce long-term demand for the Group's products, even if such publicity is unfounded.

As described further in "*If the Dr. Martens Trademark Licensing Agreement were to be terminated, whether for reasons within or outside of the Group's control, or if the Group is unable to protect its trade marks and other intellectual property rights, its business would be materially adversely affected.*" in this Part 1 (*Risk Factors*), the Group licences the Dr. Martens brand, related branding and certain other trade marks, such as "GRIP-TRAX" and the Group's resistance rectangle logo, on an exclusive worldwide basis from "Dr. Maertens—Dr. Funck" GbR, represented by its members the Maertens Family GbR and the Funck Family GbR. If the reputation of the Licensor is diminished or damaged for any reason, including for reasons unrelated to the Group or its products, the Group's business and reputation could be adversely affected.

The Group relies on its ability to work together with its third-party sales channels, including wholesale customers, distributors and franchisees, to ensure that its products are sold in environments and in a manner consistent with its brand image. In the year ended 31 March 2020 and the six months ended 30 September 2020, income from these channels accounted for 55% and 66%, respectively, of the Group's revenue. Actions by these third-party distribution channels that vary from the Group's policies, such as presenting the Group's products in a manner inconsistent with its preferred positioning or offering its products alongside "lookalike" products, could damage the Dr. Martens brand and reputation. If the Group's third-party sales channels do not maintain the standards of quality, brand positioning and exclusivity as the Group requires, or if they otherwise misuse the Dr. Martens brand, there is a risk that the Group's reputation and the integrity of the brand may be damaged.

Any failure to maintain favourable brand recognition could have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

1.2. If the Group encounters operational challenges relating to the distribution of its products, its business could be adversely affected.

The Group relies on both Group-owned and third-party distribution facilities to warehouse and ship products to its distributors, wholesale customers, own retail stores, franchise stores, concessions and e-commerce consumers throughout the world. These facilities are subject to operational risks, including, among other things, mechanical and IT system failure, work stoppages, increases in transportation costs, and the impact of pandemics (including the COVID-19 pandemic as discussed in "*The COVID-19 pandemic has affected and could continue to affect the Group's business, financial condition, results of operations and prospects.*" in this Part 1 (*Risk Factors*)), cross border trade barriers (including as a result of Brexit as discussed in "*Potential tariffs, a global trade war or uncertainty surrounding the exit of the United Kingdom from the European Union could have a material adverse effect on the Group's business.*" in this Part 1 (*Risk Factors*)), natural disasters, political crises, civil unrest and other catastrophic events. Such disruption could have an adverse effect on the availability of the Group's in-store and warehoused inventory and would divert financial and management resources from beneficial uses. In particular, not all of the Group's markets are capable of being serviced by multiple distribution centres, (including for example, Japan) and any such events affecting a relevant distribution centre could have a disproportionate adverse impact on the Group's sales and operations in that market compared to those in other markets. In addition, distribution capacity is dependent on the timely performance of services by third parties, including the transportation of products to and from their distribution facilities. If the Group encounters problems with its distribution systems, whether Group-owned or third-party, its ability to meet customer and consumer expectations, manage inventory, complete sales and achieve operating efficiencies could be adversely affected. Additionally, the success of the Group's e-commerce business and the satisfaction of consumers depend on their timely receipt of products. The efficient flow of the Group's products requires that the Group-owned and third-party operated distribution facilities have adequate capacity to support the current level of e-commerce operations and any anticipated increased levels that may follow from the growth of the Group's e-commerce business. If any of these events occur, the Group could incur significantly higher costs and longer lead times associated with distributing its products to consumers and experience dissatisfaction from consumers, which could have a material adverse effect on its business, financial condition, results of operations and prospects.

1.3. The COVID-19 pandemic has affected and could continue to have longer-term effects on the Group's business, financial condition, results of operations and prospects.

The COVID-19 pandemic has created very significant challenges for companies, given its widespread adverse global economic, as well social and operational impact, the longer-term effects of which are continuing to unfold.

During the course of the COVID-19 pandemic, all of the Group's retail stores (except in South Korea and Hong Kong) have been closed at times, resulting in a significant decrease in retail revenue, and a majority of its wholesale customers have also closed at times, with some rescheduling orders, resulting in deferred wholesale revenue (including distributor and franchise revenue) and requiring a build-up of inventory in order to mitigate any disruptions in the Group's distribution channels. Despite proactive measures by the Group to address the COVID-19 pandemic and the significant increase in e-commerce revenue during the course of the COVID-19 pandemic, the Group's retail revenue was adversely affected by the pandemic. For instance, in the six months ended 30 September 2020, the Group's retail revenue declined by 47% compared to the six months ended 30 September 2019. This adverse impact was offset by a significant increase in e-commerce revenue in the period since stores first closed, which grew by 99% in the six months ended 30 September 2020 compared to the six months ended 30 September 2019.

While the Group continues to monitor the effects of the COVID-19 pandemic on its business and the economies of the countries where the Group operates, the Group does not currently envisage further disruption to its supply chain and distribution channels, and believes its inventory levels are sufficient; although certain of the Group's retail stores have been required to again close from time to time. Given evolving government policies and a recent resurgence of the COVID-19 virus in several countries where the Group operates, and despite the development of a vaccine, there may be further impacts on the economies or the consumer purchasing power of the countries where the Group operates.

Additionally, if one or several of the Group's key executive members were to contract COVID-19, this could negatively impact the Group's ability to execute on its business strategy. Even after the COVID-19 pandemic abates, its impact on consumer behaviour and their preferences may continue in the longer term.

Any of the foregoing including any resulting deterioration in general economic conditions or change in consumer behaviour, could have a material adverse effect on the Group's business, results of operations, financial condition and prospects.

1.4. Natural disasters, public health crises, political crises, civil unrest and other catastrophic events or events outside of the Group's control may adversely affect the Group's business.

Natural disasters, such as fires, earthquakes, power shortages or outages, floods or monsoons, public health crises, such as pandemics and epidemics, political crises, such as terrorism, war, civil unrest, political instability or other conflict, or other events outside of the Group's control, have in the past, and may in the future, adversely impact the Group's sales. For example, the COVID-19 pandemic, as well as the civil unrest in both the United States and Hong Kong in 2020, led to reduced footfall at the Group's retail stores and adversely impacted the Group's results for the year ended 31 March 2020 and the six months ended 30 September 2020. The Group's stores in Philadelphia, Portland and Seattle were directly impacted by riots in the United States and its stores more generally have seen depressed sales due to the recent civil unrest in the United States. Additionally, wildfires in the west coast of the United States resulted in fewer consumers visiting the Group's stores and restricted the ability of the Group to operate its distribution centre in Portland, as its employees were restricted from travelling to the distribution centre. This risk is enhanced if any of these events occur in the third quarter (September to December) of the Group's financial year during which the Group generates a significant proportion of its annual revenue.

As a portion of the Group's revenue is derived from in-store sales (whether Group-operated or third-party operated), its results may be materially adversely affected by events that could deter consumers from shopping in-store. Such events could also disrupt the internet or mobile networks and may also prevent or deter consumers from shopping through the Group's e-commerce channel, which could materially adversely affect its e-commerce revenue.

In addition, if any of the Group's facilities, including its distribution facilities, own retail stores or franchised stores, or the facilities of its wholesale customers, suppliers, distributors or third-party service providers, are affected by any such natural disasters, catastrophic events or other events outside of the Group's control, its business and results of operations could be materially adversely affected. (See also "*If the Group encounters operational challenges relating to the distribution of its products, its business could be adversely affected.*" and "*Any adverse events influencing either the sustainability of the supply chain or the Group's relationship with any major supplier could adversely affect its business.*" in this Part 1 (*Risk Factors*)). Moreover, these types of events could negatively impact consumer spending in the impacted regions or, depending upon the severity, globally, which could materially adversely impact the Group's business, results of operations, financial condition and prospects.

1.5. Any problems with the Group's IT systems, or any material disruption in such systems, could have a material adverse effect on its business, financial condition, results of operations and prospects.

The Group relies to a significant degree on its IT systems to, among other things, track inventory, manage its supply chain, record and process transactions, summarise results and manage its business. The Group's IT systems may be subject to damage and/or interruption from, among other things, power outages; computer, network and telecommunications failures; computer viruses; security breaches and usage errors by its employees. If the Group's IT systems are damaged or cease to function properly, it may have to make a significant investment to fix or replace them, and it may suffer loss of critical data and disruptions or delays in its operations, including its e-commerce business (see also "*If the Group is unable to execute effectively its e-commerce growth strategy, its business and prospects may be harmed."* in this Part 1 (*Risk Factors*)).

In recent years, the Group has implemented multiple modifications and upgrades to its systems, including in connection with its e-commerce platforms, as well as solutions for financial accounting, operations and supply chain in the Americas and EMEA. The Group plans to continue to invest in its IT infrastructure over the next several years, including investing in solutions for financial accounting, operations and supply chain management in the APAC region. The Group's results of operations may be affected by the timing, effectiveness and costs associated with the successful implementation of any upgrades or changes to these systems and infrastructure. These activities subject the Group to inherent costs and risks associated with replacing and upgrading these systems, including impairment of the Group's ability to fulfil customer orders, potential disruption of its internal control structure, substantial capital expenditure, additional administration and operating expenses, retention of sufficiently skilled personnel to implement and operate the new systems, demands on management time, and other risks and costs of delays or difficulties in transitioning to new or upgraded systems or of integrating new or upgraded systems into the Group's current systems. The ongoing

COVID-19 pandemic may also add to potential delays in the implementation of new or upgraded systems. The Group's system implementations may not result in productivity improvements at a level that outweighs the costs of implementation, or at all. In addition, the difficulties with implementing new or upgraded technology systems may cause disruptions in the Group's business operations and have an adverse effect on its business and operations, if not anticipated and appropriately mitigated.

Any problems with the Group's IT systems, or any material disruption in such systems, could have a material adverse effect on its business, financial condition, results of operations and prospects.

1.6. The Group is subject to cyber security risks and security breaches.

The Group relies on systems and websites that allow for the secure storage and transmission of proprietary or confidential information regarding its consumers, customers, suppliers, employees and others, including credit card information and personal information. The Group also stores data in third-party data centres, as well as third-party servers or applications by means of "cloud computing". As the Group's e-commerce channel continues to increase in importance to the Group's results of operations, as described in "*If the Group is unable to effectively execute its e-commerce growth strategy, its business and prospects may be harmed*" in this Part 1 (*Risk Factors*), the salience of this risk has increased.

The Group's systems, websites, data (wherever stored), software or networks, and those of third parties (including data centres), are vulnerable to security breaches, including unauthorised access (from within the Group's organisation or by third parties), computer viruses or other malicious code and other cyber threats that could have a security impact. The Group and third parties may not be able to anticipate evolving techniques used to effect security breaches (which change frequently and may not be known until launched), or prevent attacks by hackers, including phishing or other cyber-attacks, or prevent breaches due to employee error or malfeasance, in a timely manner, or at all. Cyber-attacks have become far more prevalent in the past few years, leading potentially to the theft or manipulation of confidential and proprietary information or loss of access to, or destruction of, data on the Group's or third-party systems, as well as interruptions or malfunctions in the Group's or third parties' operations.

The Group is subject to attacks on its information technology networks on an ongoing basis, and these risks may increase in the future should the Company become a publicly-listed company. In December 2019 the Group experienced brief interruptions to its business activities and retail operations in Hong Kong/China and Japan resulting from a cyber intrusion. The Company was able to successfully isolate and remedy the issue, and following the incident the Group implemented an endpoint detection and response platform and created an incident response plan and incident response team to defend against future cyber-attacks. The Group and its suppliers are at a risk of suffering materially from such attacks and breaches, which could adversely affect the Group's ability to process customer and consumer transactions and manage inventories, resulting in the Group incurring significant additional costs to modify its protective measures or to investigate and remediate vulnerabilities, and result in significant losses, reputational harm, competitive disadvantage and sometimes physical damage. The Group may also be subject to related litigation and financial losses that are either not insured against or not fully covered through the Group's insurance policies. The Group may also be subject to regulatory intervention, significant regulatory fines and sanctions, particularly as a result of the increasing regulatory focus on promoting the protection of customer information and the integrity of information technology systems (see also "*Direct privacy breaches or any failure to protect confidential information could harm the Group's reputation and expose it to litigation.*" in this Part 1 (*Risk Factors*)).

In addition, while the Group has established business continuity plans and strategies, and its core systems, which can run from both the United Kingdom or the United States, are periodically tested to ensure that they can be fully operational within a short period of time following any system failure, there are inherent limitations in such plans, strategies, systems, policies and procedures, including the possibility that certain risks have not been identified or that new cyber security threats emerge. As techniques used to sabotage or obtain unauthorised access to systems change frequently, and generally are not recognised until they are launched against a target, the Group and its third-party service providers may be unable to anticipate these techniques or implement adequate preventative measures.

Any of these risks could have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

1.7. If the Dr. Martens Trademark Licensing Agreement were to be terminated, whether for reasons within or outside of the Group's control, or if the Group is unable to protect its trade marks and other intellectual property rights, its business would be materially adversely affected.

The Group has an ongoing commercial relationship with the Trademark and Patent Association "Dr. Maertens—Dr. Funck" GbR, a German civil law partnership ultimately represented by members of the Maertens and Funck families (the "Licensor"), which allows the Group to use various trade marks owned by the Licensor including, in particular, the "Dr. Martens" brand on an exclusive worldwide basis. This relationship has most recently been reaffirmed in 2019 pursuant to a license agreement dated 5 December 2019, the "Dr. Martens Trademark Licensing agreement 2019" (the "2019 Licence"). The 2019 Licence provides that it will remain in force indefinitely, subject to termination rights for insolvency, serious and substantial unremedied breach and challenging the Licensor's ownership of the relevant trade marks. The 2019 Licence excludes, however, any right of termination without cause.

The Dr. Martens brand has been, and will continue to be, key to the success of the Group, being the focus of the Group's marketing and brand awareness and as an essential element of the combination of the "Dr. Martens" and "AIRWAIR" intellectual property used across the Group's Dr. Martens product range. The Group uses the intellectual property owned by Airwair (such as intellectual property in the physical features of the products) alongside the trade marks owned by the Licensor to form the brands iconic style. There are currently no grounds for termination of the 2019 Licence and the Company does not anticipate that it would be in the interests of the Licensor to terminate the 2019 Licence due to the interdependency of the intellectual property rights of the Licensor and the Group. However, if the 2019 Licence were to be terminated, whether for reasons within or outside of the Group's control, or were the Group to be engaged in material unresolved disputes with the Licensor relating to the terms of the licences or the Group's use of the licensed trade marks, the Group could lose the right to use the Dr. Martens brand and the Group's business, financial condition, results of operations and prospects would be materially adversely affected.

Additionally, the Group's business is dependent on its ability to protect and promote its trade marks and other intellectual property rights. Third parties have in the past and may in the future attempt to counterfeit the Group's brand and trade marks, otherwise infringe the Group's intellectual property rights or try to challenge the validity of the Group's intellectual property. The Group may not always be able to secure protection for, or stop infringements of, its intellectual property, and may need to resort to litigation to enforce its intellectual property rights. For example, in recent years action was taken by the Group against identified brand infringement in a number of markets, with particular focus on lookalike products in key markets. Any litigation or dispute involving the scope or enforceability of the Group's intellectual property rights, however, as well as any allegation that the Group infringed upon the intellectual property rights of others, could be costly and time-consuming and, if determined adversely to the Group, result in harm to its business, financial condition, results of operations and prospects.

1.8. Any adverse events influencing either the sustainability of the supply chain or the Group's relationship with any major supplier could adversely affect its business.

Wherever possible, the Group attempts to source materials from multiple suppliers and work is ongoing to continue the diversification of the supplier base. The Group's footwear is manufactured in six different countries, including the United Kingdom, Vietnam, China, Thailand, Laos and Bangladesh. Accessories were also manufactured in the USA, Portugal and Taiwan. In Asia, the Group's footwear is manufactured at 13 sites, mainly located in China and Vietnam, under arm's length arrangements and the Group has policies to prevent dependence on any single supplier. The Group sources components, consumables and other raw materials from 261 suppliers in 17 countries globally. However, for some key components and raw materials, including black smooth leather, the Group relies on a relatively limited number of suppliers. One or more of the Group's suppliers may be unable to supply or decide to cease supplying the Group with raw materials and components for reasons beyond the Group's control, or they may increase prices significantly. Alternative suppliers may be difficult or impossible to identify and, in any event, may take a significant period of time to begin supplying the Group. Moreover, if the Group expands beyond the production capacity of its current suppliers as it continues to grow, it may not be able to find new suppliers with an appropriate level of expertise and capacity in a timely manner.

The Group's supply chain could also be materially adversely affected by a number of other factors, including, among other things, potential economic and political instability in countries where its suppliers are located, increases in shipping or other transportation costs, manufacturing and transportation delays and interruptions, whether as a result of natural disasters or force majeure events (including without limitation unrest, civil disorder, war, terrorist attacks, subversive activities or sabotage, fires, floods, explosions, other catastrophes, epidemics or pandemics, including the COVID-19 pandemic), industrial action in the supply chain or other factors, supplier compliance with applicable laws and regulations, adverse fluctuations in currency exchange rates, and changes in laws affecting the importation and taxation of goods, including duties, tariffs and quotas, or changes in the enforcement of those laws. The Group may also be subject to potential reputational damage if one or more of its suppliers violates or is alleged to have violated applicable laws or regulations including improper labour conditions or human rights abuses, fails to meet the Group's requirements or does not meet industry standards and safety specifications.

Any of these risks, in isolation or in combination, could restrict the availability of merchandise or significantly increase the cost of such merchandise, require the Group to divert financial and management resources from more beneficial uses and subject the Group to reputational damage, any of which could have a material adverse effect on its reputation, business, financial condition, results of operations and prospects.

1.9. If the Group is unable to execute effectively its e-commerce growth strategy, its business and prospects may be harmed.

The Group's e-commerce business has been its fastest growing business over the last several years. In the year ended 31 March 2020 and the six months ended 30 September 2020, the Group's e-commerce business contributed 20% and 24%, respectively, of the Group's revenue, and the Group intends to continue to increase the proportion of sales that comes from its e-commerce channel.

The success of the Group's e-commerce business depends, in part, on its ability to offer attractive, reliable, secure and user-friendly e-commerce platforms for consumers across its markets, including by continuing to invest in its digital infrastructure and digital team. As of the date of this Registration Document, the Group is in the process of implementing its digital transformation program and will continue this implementation across all regions in which the Group operates. The success of the Group's e-commerce business also depends on factors over which the Group has limited control, including changing consumer preferences and buying trends relating to e-commerce usage, as well as promotional or other advertising initiatives employed by the Group's wholesale customers or other third parties on their e-commerce platforms and continued access to the Tmall platform in China. Any failure by the Group, or by its third-party digital partners, to provide attractive, reliable, secure and user-friendly e-commerce platforms could negatively impact the shopping experience of consumers, resulting in reduced website traffic, diminished loyalty to the Dr. Martens brand and lost sales. In addition, as the Group continues to expand and increase the global presence of its e-commerce business, sales from its retail stores and wholesale channel in areas where e-commerce sites are introduced may decline due to changes in consumer shopping habits and cannibalisation.

The Group is also subject to certain additional risks and uncertainties associated with its e-commerce platforms, including changes in required technology interfaces; website downtime and other technical failures; costs and technical issues from website software upgrades; data and system security; computer viruses; and changes in applicable federal and state regulations. In addition, the Group must keep up to date with competitive technology trends, including, among other things, the use of new or improved technology, creative user interfaces and other e-commerce marketing tools, such as paid and unpaid search, and mobile applications, which may increase its costs, and which may not succeed in increasing sales or attracting consumers.

Any of these risks could have a material adverse effect on the Group's reputation, business, results of operations, financial condition and prospects.

1.10. The Group's business may be impacted by weak sales during peak selling seasons.

The Group's business is subject to seasonal peaks. Historically, the most important trading period in terms of sales, operating results and cash flow has been the September to December sales period. In the year ended 31 March 2020, 60% of the Group's sales occurred in the second half of the financial year (October to March). The Group incurs significant additional expenses in advance of and during the September to December sales period in anticipation of higher sales during that period, including the cost of additional inventory and advertising.

If sales during peak trading period are significantly lower than expected for any reason, the Group may be unable to adjust its expenses in a timely fashion and may be left with a substantial amount of unsold inventory. In that event, the Group may be forced to rely on markdowns or promotional sales to dispose of excess inventory for its seasonal products and otherwise may be forced to hold excess inventory of its continuity and carry over products for longer than originally anticipated, with associated carrying costs. At the same time, if the Group fails to manufacture a sufficient quantity of merchandise, it may not have an adequate supply of products to meet consumer demand, which could materially adversely affect its business, results of operations, financial condition and prospects.

1.11. The Group is subject to risks associated with international markets.

As a company that markets, sells and manufactures (through third-party manufacturers) its products in many countries, the Group faces a variety of risks generally associated with doing business in foreign markets and importing merchandise from these regions including, among others, political instability resulting in the disruption of trade, quotas and other trade regulations, export licence requirements, delays associated with customs procedures, including increased security requirements applicable to foreign goods and measures related to the COVID-19 pandemic, imposition of taxes, other charges and restrictions on imports, currency and exchange rate risks, risks related to labour practices increasing minimum wages and inflationary pressures, environmental matters or other issues in the foreign countries or factories in which the Group's products are manufactured, risk of loss at sea or other delays in the delivery of products caused by transportation problems, and increased costs of transportation.

In recent years, global trade has been adversely affected by increasing protectionism and regulatory unpredictability, including the ongoing trade disputes between China and the United States, and the impact of Brexit, as further described in "*Potential tariffs, a global trade war or uncertainty surrounding the exit of the United Kingdom from the European Union could have a material adverse effect on the Group's business*." in this Part 1 (*Risk Factors*).

The Group's operations in countries with less developed or less predictable legal systems present several risks, including legal uncertainty, civil disturbances, economic and governmental instability, different business and operating practices, differing consumer behaviours and preferences and the imposition of exchange controls. The Group expects that sales in such countries will be an increasing portion of its total sales. The uncertainty of the legal environment in these countries, in particular with respect to the enforcement of intellectual property rights, could limit the Group's ability to enforce its rights and grow its business.

Any of these risks could have a material adverse effect on the Group's reputation, business, results of operations, financial condition and prospects.

1.12. The Group's business is subject to changes in consumer preferences.

The Group's continued success depends in part on the continued attractiveness of the Group's design, styling, production, merchandising and pricing of its products to consumers. The Group's products must appeal to a consumer base whose preferences cannot be predicted with certainty and are subject to change. The Group's sales are concentrated in the Originals and Fusion product categories, which represented 60% and 25%, respectively, of the Group's revenue for the year ended 31 March 2020. Over the brand's 60 year history, the Group has experienced fluctuations in consumer demand for its products, and while it regularly complements its core Originals offering with contemporary finishes, embellishments and sole platforms (including collaborations with famous designers or artists) in order to refresh the product range, if consumer demand for the Group's iconic footwear, in particular, the 1460 boot (which comprised 42% of the Group's total revenue for FY20), decreases in the future, the Group's business, financial condition, results of operations and prospects could be materially adversely affected.

In addition, to ensure adequate inventory supply, the Group must forecast inventory needs and place orders with its suppliers based on its estimates of future demand for particular products. If the Group misjudges the market for its products, it may be faced with excess inventories for some products and missed opportunities for others. If the Group is unable to predict or respond to sales demand or to changing styles or trends successfully, its sales could be lower. The Group may also experience inventory shortfalls on unexpectedly popular products, which would also result in reduced sales. In addition, there can be no assurance that the Group will be able to distribute and market new products efficiently or that any product category that it may expand or introduce will achieve sales levels sufficient to generate profits. Any of these outcomes could have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

1.13. The Group's future growth depends on its successful marketing efforts.

The Group's success and future growth depends on its ability to attract and retain consumers, which in part depends on its marketing practices. The Group's market share in many of its growth markets (including the United States and China) is considerably lower than in the United Kingdom, which the Group believe represents a significant opportunity for growth. Looking forward, the Group intends to increase its marketing spend by approximately 0.5 percentage points per annum from 3.9% of its total revenue in FY20 (calculated on a constant currency basis), which the Directors expect will be a factor in driving growth in those markets. The Group's future growth therefore depends in part upon the effectiveness and efficiency of its marketing efforts, including its ability to continue to improve brand awareness, identify the most effective brand messaging and efficient levels of spending in each market, determine the appropriate creative messages and media mix for marketing and promotional expenditure, and effectively manage marketing costs to maintain acceptable consumer acquisition costs. Any factors adversely affecting the Group's ability to increase or enhance its marketing activities and capabilities could adversely affect demand for its products and in turn have a material adverse effect on its business, results of operations, financial condition and prospects.

1.14. The Group faces risks arising from any future transformation of its operations through the conversion of wholesale distribution markets to owned and operated markets, as well as any productivity or efficiency initiatives it undertakes.

The Group continuously assesses opportunities to streamline operations, achieve cost savings, and fuel long-term profitable growth. For example, the Group has recently converted certain of its key markets (including Germany and the Baltics/Nordics), and is currently in the process of converting certain others (including Italy and Spain/Portugal), from a distributor to an owned-and-operated subsidiary basis, with a view to having further distribution control as well as driving revenue. In addition, the Group is undertaking certain measures aimed at simplifying and streamlining its supply chain, including working with its suppliers to introduce new product formulations and manufacturing techniques, reducing waste and optimising inventory levels and other uses of working capital, which are expected to, among other things, enhance efficiency, reduce lead times for delivery and increase the Group's gross margins.

Implementation of transformation, productivity or efficiency initiatives presents a number of significant risks, including:

- actual or perceived disruption of service or reduction in service levels to customers and consumers;
- actual or perceived disruption to suppliers, distribution networks and other important operational relationships and the inability to resolve potential conflicts in a timely manner;
- difficulty in obtaining timely delivery of products of acceptable quality from suppliers;
- diversion of management attention from ongoing business activities and strategic objectives;
- disruption to the Group's culture; and
- failure to maintain employee morale and retain key employees.

Due to these and other factors, the Group cannot predict whether it will fully realise the purpose and anticipated benefits or cost savings of any restructuring, productivity or efficiency initiatives and, if it does not, its business, financial condition, results of operations and prospects could be materially adversely affected. Furthermore, if the Group experiences adverse changes to its business, additional restructuring or reorganisation activities may be required in the future.

1.15. If the Group's relationship with one or more major wholesale customers deteriorates or terminates, its business could be adversely affected.

In recent years, the Group has prioritised its direct-to-consumer channel. Nevertheless, the Directors believe that the Group's wholesale channel, in particular strategic wholesale customers, will continue to play a significant role in its channel strategy. The Group's ability to attract and retain strategic wholesale customers will therefore continue to be critical to the Group's continued success and growth.

In the year ended 31 March 2020, wholesale, distributor and franchise customers contributed 55% of the Group's revenue, with the top five customers contributing approximately 13% of the Group's revenue. While the Group's agreements with its wholesale customers generally run indefinitely as a form of framework agreement, purchases generally occur on an order-by-order basis. If any major wholesale customer decreases or ceases its purchases from the Group, cancels its orders, reduces the floor space, assortments, fixtures or advertising for the Group's products or changes its manner of doing business with the Group for any reason, such actions could adversely affect the Group's business. In addition, a decline in the performance or financial condition of a major wholesale customer, including bankruptcy or liquidation, could result in a material loss of revenue to the Group and cause it to limit or discontinue business with that customer, require it to assume more credit risk relating to its receivables from that customer or limit its ability to collect amounts related to previous purchases by that customer. While the Group regularly reviews the performance of the Group's wholesale customers, as well as their credit ratings where available, in order to mitigate credit risk, its efforts may not be successful.

If the Group's relationship with one or more major wholesale customers deteriorates or terminates, its business, financial condition, results of operations and prospects could be materially adversely affected.

1.16. The Group's results and success are dependent in part on its ability to attract and retain effective personnel, as well as on its ability to preserve its culture.

The Group's results and success are dependent in part on its ability to attract and retain effective personnel. The Group's performance depends significantly on the efforts and abilities of its key senior management. The Group's senior management have substantial experience and expertise in the consumer goods industry and have made significant contributions to the Group's continuing growth and success. The loss of key personnel or managers without the prompt addition of appropriate replacements could therefore adversely affect the Group's operations and prospects. The Group may be unable to find appropriate replacements in a timely manner or the replacements, once appointed, may not perform as effectively as expected. In addition, there can be no assurance that the Group will continue to be able to retain or attract a sufficient number of skilled personnel, including within the design, merchandising and digital teams, on attractive terms or at all. The Group believes that the image, reputation and popularity of the Dr. Martens brand improves the Group's ability to recruit skilled personnel and any deterioration of the Group's brand could negatively affect its ability to retain or attract these skilled personnel. Any inability to recruit, train or retain such personnel could hinder the Group's ability to successfully operate its business, which could have a material adverse effect on its business, financial condition, results of operations and prospects.

Further, the Group believes that a critical component of its success is its corporate culture. As the Group continues to expand, it may find it difficult to maintain the valuable aspects of its corporate culture, and this risk may increase in the future should the Company become a publicly-listed company. Any failure to preserve this culture could adversely affect the Group's ability to attract and retain talent, encourage creativity, teamwork, passion and transparency, and effectively focus on and execute on the Group's vision and strategy.

1.17. The Group is exposed to fluctuations in foreign currency exchange.

The Group prepares its financial statements in pounds sterling, and it derives revenue and/or incurs costs in more than 60 countries with material operations in 21 jurisdictions involving eight currencies. In the year ended 31 March 2020, 62% of the Group's revenue was in currencies other than pounds sterling (calculated on a constant currency basis) (primarily US dollars, euros, Japanese yen, Chinese yuan, South Korean won and Hong Kong dollars). Accordingly, movements in exchange rates between any of these currencies and the pound sterling could have a negative effect on the Group's results of operations and financial condition to the extent the Group has a mismatch between its earnings in any foreign currency and its costs that are denominated in that currency.

Where possible, the Group manages foreign currency risk by matching same currency revenues to same currency expenses and through hedging arrangements for pounds sterling to US dollar and euro to US dollar. For example, the Group benefits from a natural hedge within its US dollar-denominated trading and inventory. The Group also seeks to hedge material foreign exchange risks associated with highly probable forecast transactions, firm commitments and monetary items denominated in foreign currencies relating to the inventory purchased in the United Kingdom for the Group's wholesale and retail and e-commerce markets. Moreover, certain portions of the Group's external debt are denominated in Hong Kong $, euro and Japanese Yen. However, there is no guarantee that the Group's hedging strategy will be successful. If the Group fails to adequately protect against currency exchange risk, the costs of manufacturing its products and servicing its debt obligations may increase and its results of operations may be materially adversely affected.

In addition, the results of operations and financial conditions of the individual members of the Group are reported in the relevant functional currency of that Group member, which may not be the pound sterling. These Group members' assets and liabilities are converted based on the exchange rate on the balance sheet date, and income statement items are converted based on the average exchange rate during the relevant financial period. Foreign exchange rates have seen significant fluctuation in recent years, and significant increases in the value of the pound sterling relative to foreign currencies could have a material adverse effect on the Group's reported financial results.

1.18. The Group's level of indebtedness could adversely affect its ability to react to changes in its business, and the terms of the Group's financing arrangements, and any inability to refinance such indebtedness as it comes due and payable, may limit its commercial and financial flexibility to operate its business.

As at 30 September 2020 the Group had total borrowings consisting of bank debt of £85.9 million, IFRS 16 lease liabilities of £88.8 million and preference shares of £330.1 million. The Group's indebtedness requires it to dedicate cash flow from operations (after the payment of operating expenses) to payments with respect to its indebtedness, thereby reducing the availability of the Group's cash flow for working capital in the longer term, as well as cash flow for capital expenditure and general corporate expenditure. The Group's ability to borrow additional funds may also be limited by its current levels of indebtedness, and the cost of any such borrowing may increase.

The Group's term and revolving facilities agreements contain a number of significant covenants that restrict some of the Group's corporate activities. These include, but are not limited to, customary restrictions relating to making restricted payments (including paying dividends or making other distributions or investments and prepaying or redeeming subordinated indebtedness or equity), acquisitions and disposals, the granting of security, the incurrence of financial indebtedness and the granting of guarantees. The covenants to which the Group is subject could limit its ability to finance its future operations and capital needs in the longer term (more than 12 months from the date of this document), as well as the Group's ability to pursue business opportunities and activities that may be in its interest. If the Group breaches any of these covenants or restrictions in the future, it could be in default under the relevant financing agreements. This (i) would permit the lenders under the relevant agreement to take certain actions, including cancelling the availability of the facilities and declaring all amounts that the Group has borrowed under the relevant agreement to be due and payable, together with accrued and unpaid interest, (ii) may lead to an event of default and acceleration under other debt instruments that contain cross-default or cross-acceleration provisions, and/or (iii) may permit the lenders to proceed against the collateral that secures the debt. If the Group incurs additional indebtedness to its current indebtedness levels, including entering into and borrowing under other short or long-term credit facilities, the related risks that the Group now faces could increase.

1.19. The Group's reliance on services arrangements with third-party service providers exposes it to a range of potential operational risks.

The Group has entered into a number of services arrangements with third-party service providers for the operation of distribution centres and manufacturing for the Group. In the event the services of these service providers are disrupted or terminated and the Group does not engage suitable replacements on commercially acceptable terms or in a timely manner, the Group may not be able to effectively deliver its products to consumers and wholesale customers. For example, the Group's "tier-one" manufacturing suppliers require specialised and bespoke machinery that takes approximately one year to install and train personnel before manufacturing of the Group's products can begin, and accordingly, any such disruption, termination or failure of replacements could have a material adverse effect on the Group's business, results of operations or prospects.

1.20. The Group is exposed to interest rate fluctuations.

The Group is exposed to the risks of fluctuations in interest rates. The Group's debt is subject to variable interest rates, with its term and revolving facilities agreement indexed to EURIBOR, LIBOR, HIBOR. The Group may also enter into additional indebtedness bearing floating rates of interest in the future. Any other floating interest rates applicable to such indebtedness could rise significantly in the future. If interest rates increase significantly, the Group's interest expense will correspondingly increase to the extent of the drawings under such debt bearing floating rates of interest, thereby reducing its cash flow.

2. Risks relating to the Group's industry

2.1. The Group's business is influenced by economic conditions that impact consumer spending.

The Group's business is influenced by economic conditions that impact consumer spending. Many factors affect the level of consumer spending on the Group's products, including the state of the economy as a whole, stock market performance, interest rates, currency exchange rates, recession, inflation, deflation, political uncertainty, the availability of consumer credit, taxation, unemployment and other matters that influence consumer confidence. For example, discretionary spending generally declines during periods of economic uncertainty; while the Group did not observe an adverse impact on consumer demand as a result of the COVID-19 pandemic, in a prolonged economic downturn the Group may experience declining sales as a result of general reduced consumer spending. These trends also affect the business of the Group's wholesale customers, franchise stores and concessions, which in turn has an adverse impact on the Group's revenue from these distribution channels. Any downturns in general economic conditions that impact consumer spending, particularly in the countries where the Group sells a significant portion of its products, could have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

2.2. Potential tariffs, a global trade war or uncertainty surrounding the exit of the United Kingdom from the European Union could have a material adverse effect on the Group's business.

In recent periods, the US government has announced various import tariffs on goods imported from certain trade partners, such as the European Union and China, which have resulted and may continue to result in reciprocal tariffs on goods exported from the United States to such trade partners. The announcement of unilateral tariffs on imported products by the United States has triggered retaliatory actions from certain foreign governments (including China) and may trigger further retaliatory actions, potentially resulting in a "trade war". Trade barriers and other governmental action related to tariffs or international trade agreements around the world, in particular in China, have the potential to decrease demand for the Group's products, negatively impact suppliers and adversely impact the economies in which the Group operates. In addition, trade barriers and other governmental action related to tariffs or international trade agreements could increase the cost of raw materials and components used in certain of the Group's products, which could in turn increase its cost of goods sold. The occurrence of any such events could have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

On 29 March 2017, the United Kingdom formally notified the European Council of its intention to leave the European Union ("Brexit"). On 24 January 2020, a withdrawal agreement was entered into between the European Union, the European Atomic Energy Community and the United Kingdom, setting the terms of the withdrawal of the latter from the former two. On 24 December 2020, the United Kingdom and the European Union agreed a trade and cooperation agreement (the "Trade and Cooperation Agreement"), which will enter into force on the first day of the month following that in which the United Kingdom and the European Union have notified each other that they have completed their respective internal requirements and procedures for establishing their consent to be bound. The Trade and Cooperation Agreement took provisional effect from 1 January 2021 (provisional application shall cease on the earlier of the date the agreement enters into force or 28 February 2021) and provided for, among other things, zero-rate tariffs and zero quotas on the movement of goods between the United Kingdom and the European Union.

Due to the size and importance of the economy of the United Kingdom, the uncertainty and unpredictability concerning the United Kingdom's future laws and regulations (including financial laws and regulations, tax and free trade agreements, immigration laws and employment laws) as well as its legal, political and economic relationships with Europe following its exit of the European Union may continue to be a source of instability in international markets, create significant currency fluctuations or otherwise adversely affect trading agreements or similar cross-border cooperation arrangements (whether economic, tax, fiscal, legal, regulatory or otherwise) for the foreseeable future. The long-term effects of Brexit will depend on the implementation of the Trade and Cooperation Agreement and any future agreements (or lack thereof) between the United Kingdom and the European Union and, in particular, any potential changes in the arrangements for the United Kingdom to retain access to European Union markets. Brexit could result in adverse economic effects across the United Kingdom and Europe, which could have a material adverse effect on the Group's business, results of operations, financial condition and prospects. In addition, a portion of the Group's staff in the United Kingdom are from other European countries and there is a risk that Brexit will affect the ability of the Group to recruit skilled workers from this wider European labour market for its operations in the United Kingdom.

2.3. The Group operates in a competitive environment.

The footwear industry is very competitive, and the Group may be unable to compete successfully. Competitive factors that affect the Group's market position within the footwear industry include the strength and recognition of the Dr. Martens brand, the style, quality and performance aspects of the Group's products, and the Group's marketing, advertising and distribution efforts. Many of the Group's competitors have significantly greater financial resources, more comprehensive product lines and greater distribution capabilities, and spend substantially more on product advertising and endorsements. In addition, some of the Group's competitors may be better able to take advantage of market opportunities and withstand market downturns better than the Group can. Additionally, the general availability of offshore footwear manufacturing capacity allows for rapid expansion by competitors and new entrants in the footwear market. The Group may be unable to compete successfully in the future, and increased competition may result in price reductions, reduced profit margins, loss of market share and an inability to generate cash flows that are sufficient to maintain or expand the Group's development.

3. Risks relating to compliance and regulation

3.1. Direct privacy breaches or any failure to protect confidential information could harm the Group's reputation and expose it to litigation.

The Group is subject to a number of laws relating to privacy and data protection, including the General Data Protection Regulation (Regulation (EU) 2016/679) ("GDPR"), the United Kingdom's Data Protection Act 2018, the Gramm-Leach-Bliley Act, the California Consumer Privacy Act and other applicable data protection and privacy laws across its various markets. Such laws govern the Group's ability to collect, use and transfer personal data, including relating to consumers and business partners, as well as any such data relating to employees and others. The Group routinely transmits and receives personal, confidential and proprietary information (including debit and/or credit card details of consumers) by electronic means and therefore relies on the secure processing, storage and transmission of such information in line with regulatory requirements (including the "Payment Card Industry—Data Security Standards"). Therefore, the Group is exposed to the risk that such data could be wrongfully appropriated, lost or disclosed, damaged or processed in breach of privacy or data protection laws which could lead to the imposition of fines or regulatory action, together with associated negative publicity (see also "*The Group's business is dependent on the image and reputation of the Dr. Martens brand.*" in this Part 1 (*Risk Factors*)). For example, breaches of the GDPR can result in fines of up to 4% of annual global turnover. Any perceived or actual failure by the Group, including its third-party service providers, to protect confidential data or any material non-compliance with privacy or data protection or other consumer protection laws or regulations may harm the Group's reputation and credibility, adversely affect revenue, reduce its ability to attract and retain customers and consumers, result in litigation or other actions being brought against the Group and the imposition of significant fines and, as a result, could have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

3.2. Compliance with existing laws and regulations or changes in any such laws and regulations could affect the Group's business.

The Group operates in a range of international markets and is subject to a variety of laws and regulations and it routinely incurs costs in complying with these laws and regulations. New laws or regulations or changes in existing laws and regulations, particularly those governing the sale of products or in other regulatory areas such as consumer credit, privacy, information security, labour and employment, tax, competition, health and safety or environmental protection, may conceivably require extensive system and operating changes that may be difficult to implement and could increase the Group's cost of doing business.

For example, the Group is subject to laws and regulations relating to restricted substances. If the Group fails to comply with these laws and regulations it may face fines, penalties or other sanctions, as well as resulting in damage to the Group's image and brand, which is particularly focused on socially conscious individuals. In addition, the Group could incur future expenditures to remediate past compliance failures that could have a material adverse effect on the Group's business, results of operations, financial condition and prospects.

The Group is also subject to those regulations provided under the Modern Slavery Act 2015 (the "Modern Slavery Act") as well as to the risk of forced labour and modern slavery in its supply chain. The Group has taken steps to mitigate against any risk of breaching the Modern Slavery Act or of forced labour or modern slavery in its supply chain, including adopting a policy relating to the conduct of its suppliers in these matters, conducting due diligence and audits to ensure its key suppliers comply with its Supplier Code of Conduct and other compliance policies, and building internal knowledge of the Modern Slavery Act. However, there can be no assurances that suppliers, or their labour practices, are fully compliant with the Group's policies and procedures as well as the relevant laws and regulations in which they operate.

In addition, changes in laws and regulations, more stringent enforcement or alternative interpretation of existing laws and regulations in jurisdictions in which the Group currently operates can change the legal and regulatory environment, making compliance with all applicable laws and regulations more challenging. Various governments and intergovernmental organisations could introduce proposals for tax legislation, or adopt tax law, that may have an adverse effect on the Group's worldwide effective tax rate, or increase its tax liability, the carrying value of deferred tax assets, or its deferred tax liabilities. Changes in laws and regulations in the future could have an adverse economic impact on the Group by tightening restrictions, reducing its freedom to do business, increasing its costs of doing business, or reducing its profitability. In addition, the compliance costs associated with such evolving laws and regulations may be significant. Failure to comply with applicable laws or regulations can lead to civil, administrative or criminal penalties, including but not limited to fines or the revocation of permits and licences that may be necessary for the Group's business activities. The Group could also be required to pay damages or civil judgments in respect of third-party claims.

Any of these developments, alone or in combination, could have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

3.3. Failure to comply with the UK Bribery Act 2010 (the "UK Bribery Act"), the US Foreign Corrupt Practices Act (the "FCPA") and other anti-corruption, anti-bribery, anti-money laundering, sanctions and competition laws could subject the Group to penalties and other adverse consequences.

The Group is subject to a wide range of anti-corruption, anti-bribery and anti-money laundering laws, such as the FCPA, the UK Bribery Act and similar laws in other countries, as well as sanctions and competition laws, across the markets in which it operates. The increasing broad and stringent legal and regulatory framework creates pressure on both business performance and market sentiment, requiring continual improvements on how the Group operates as a business to maintain compliance. Actual or alleged violations of applicable laws, regulations, or anti-corruption compliance contractual requirements could result in fines, litigation, disruption or cessation of business activity, and also damage the Group's reputation or cause a loss of business opportunity in the markets in which the Group operates. Any non-compliance could also result in criminal prosecution for the Group or its people. The Group does business in some countries generally recognised as having business environments where corrupt activity is more likely to take place. The Group's activities in these countries create the risk of unauthorised payments or offers of payments by the Group's employees or agents which could result in violation of the various anti-corruption laws to which the Group is subject. While there have been allegations of misconduct in certain markets in which the Group operates, following investigation by the Group these have proven to be unsubstantiated.

The Group has implemented policies to prohibit, and developed training and compliance programmes to discourage, these practices by its employees and agents, and the Group conducts investigations promptly when allegations of improper conduct are made. However, the Group is subject to a wide variety of requirements in a large number of jurisdictions and the Group's existing and any further safeguards may prove to be ineffective. If employees or agents of the Group violate regulatory requirements or the Group's policies, or fail to maintain adequate record-keeping and internal accounting practices to accurately record the Group's transactions, the Group may be subject to regulatory sanctions, including monetary fines, criminal penalties, disgorgement of profits and suspension or debarment of the Group's ability to contract with government agencies or public international organisations or to receive export licenses, any of which could materially adversely affect the Group's business, financial condition, results of operations and prospects.

3.4. The Group relies on its suppliers, agents, distributors and franchisees to comply with employment, environmental and other laws and regulations.

The Group has put in place policies and procedures, including audits, to ensure that its suppliers are in material compliance with the Group's business terms, as well as employment, environmental and other relevant laws and regulations generally and uses contractual provisions to require that its agents, distributors and franchisees comply with the same. The Group seeks to monitor the social and environmental compliance of its key suppliers through third-party audits, as well as its experienced CSR team members. However, the Group can give no assurance that its suppliers, agents, distributors and franchisees are or will remain in compliance with such terms, laws or regulations. A violation, or allegations of a violation, of such laws or regulations, or failure to achieve particular standards, by any of these individuals or entities could lead to financial penalties, adverse publicity or a decline in public demand for the Group's products, or require the Group to incur expenditure or make changes to its supply chain and other business arrangements to ensure compliance. Any such events could have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

3.5. Climate change and related regulatory responses may adversely impact the Group's business.

There is increasing concern that a gradual increase in global average temperatures due to increased concentration of carbon dioxide and other greenhouse gases in the atmosphere will cause significant changes in weather patterns around the globe and an increase in the frequency and severity of natural disasters. Changes in weather patterns and an increased frequency, intensity and duration of extreme weather conditions could, among other things, disrupt the operation of the Group's supply chain, increase its product costs and impact the types of products that consumers purchase. As a result, the effects of climate change could have a long-term adverse impact on the Group's business, financial condition, results of operations and prospects.

In many of the countries in which the Group operates, governmental bodies are increasingly enacting legislation and regulations in response to the potential impacts of climate change. These laws and regulations, which may be mandatory, have the potential to impact the Group's operations directly or indirectly as a result of required compliance by the Group, as well as by its suppliers, wholesale customers, distributors and franchisees. The Group's manufacturing processes may be affected by new regulations in response to climate change, specifically the use of PVC and other materials in the manufacturing of the Group's products. If the Group is perceived to be a contributor of greenhouse gas emissions or global warming, or if it is perceived as not taking appropriate steps to mitigate its effect on the environment, this could result in damage to the Group's image and brand, which is particularly focused on socially conscious individuals (see also "*The Group's business is dependent on the image and reputation of the Dr. Martens brand.*" in this Part 1 (*Risk Factors*)).

In addition, the Group has and may continue to take voluntary steps to mitigate its impact on climate change. As a result, the Group may experience increases in energy, production, transportation and raw material costs, capital expenditure or insurance premiums and deductibles.

Any of these events could have a material adverse effect on its business, financial condition, results of operations and prospects.

PART 2

Presentation of Financial and Other Information

General

No representation or warranty, express or implied, is made and no responsibility or liability is accepted by any person other than the Company and the Directors, as to the accuracy, completeness, verification or sufficiency of the information contained herein, and nothing in this Registration Document may be relied upon as a promise or representation in this respect, as to the past or future.

A copy of this Registration Document has been filed with, and approved by, the FCA (as competent authority under Regulation (EU) 2017/1129 as it forms part of retained EU law as defined in the EU (Withdrawal) Act 2018) and has been made available to the public in accordance with the Prospectus Regulation Rules. The FCA only approves this Registration Document as meeting the standards of completeness, comprehensibility and consistency imposed by Regulation (EU) 2017/1129 as it forms part of retained EU law as defined in the EU (Withdrawal) Act 2018, and such approval should not be considered as an endorsement of the company that is the subject of this Registration Document.

This Registration Document may be combined with a securities note and summary to form a prospectus in accordance with the Prospectus Regulation Rules. A prospectus is required before an issuer can offer transferable securities to the public or request the admission of transferable securities to trading on a regulated market. However, this Registration Document, where not combined with the securities note and summary to form a prospectus, does not constitute an offer or invitation to sell or issue, or a solicitation of an offer or invitation to purchase or subscribe for, any securities in the Company in any jurisdiction, nor shall this Registration Document alone (or any part of it), or the fact of its distribution, form the basis of, or be relied upon in connection with, or act as any inducement to enter into, any contract or commitment whatsoever with respect to any offer or otherwise.

The contents of this Registration Document are not to be construed as legal, business or tax advice.

This Registration Document is not intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by any of the Company, the Directors, any of the Company's advisers or any of their respective affiliates or representatives regarding the securities of the Company.

Presentation of financial information

The financial information in this Registration Document has been prepared in accordance with International Financial Reporting Standards as adopted by the European Union ("IFRS"). The significant IFRS accounting policies applied in the financial information of the Group are applied consistently in the financial information in this Registration Document. The Group adopted IFRS 16—Leases from 1 April 2019 using the Modified Retrospective Approach and continues to closely monitor market adoption and evolving best practice whilst assessing the impact on the financial results. See "*Key factors affecting comparability of results—Adoption of IFRS 16*" in Part 8 (*Operating and Financial Review*) and Note 26 of Section B of Part 9 (*Historical Financial Information*) for further information.

Financial information

The Company was recently incorporated and as at the date of this Registration Document has no historical operations of its own. Therefore, this Registration Document does not present any standalone, unconsolidated financial information for the Company.

The Group's financial year runs from 1 April to 31 March.

The Group's consolidated historical financial information included in Section B of Part 9 (*Historical Financial Information*) of this Registration Document has been prepared in accordance with the requirements of the Prospectus Regulation and in accordance with IFRS. The basis of preparation and significant accounting policies are set out within Note 1 of the Group's consolidated historical financial information included in Section B of Part 9 (*Historical Financial Information*).

The historical financial information for the Group included in Section B of Part 9 (*Historical Financial Information*) is reported on in the accountants' report issued by Ernst & Young LLP included in Section A of Part 9 (*Historical Financial Information*), which was prepared in accordance with the Standards for Investment Reporting 2000 issued by the Auditing Practices Board.

None of the financial information used in this Registration Document has been audited in accordance with auditing standards generally accepted in the United States of America ("US GAAS") or auditing standards of the Public Company Accounting Oversight Board (United States) ("PCAOB"). In addition, there could be other differences between the standards issued by the Auditing Practices Board in the United Kingdom and those required by US GAAS or the auditing standards of the PCAOB.

Non-IFRS financial information

This Registration Document contains certain unaudited financial measures that are not defined or recognised under IFRS or any other generally accepted accounting principles, including EBITDA, EBITDA (pre-IFRS 16), EBITDA margin, EBITDA (pre-IFRS 16) margin, operating cash flow, operating cash flow conversion and like-for-like growth ("non-IFRS measures").

Information regarding these measures is sometimes used to evaluate the efficiency of a company's operations and its ability to employ its earnings toward repayment of debt, capital expenditure and working capital requirements. There are no generally accepted principles governing the calculation of these measures and the criteria upon which these measures are based can vary from company to company. The non-IFRS measures used in this Registration Document should not be considered superior to, nor a substitute for, measures calculated in accordance with IFRS. Readers should not consider these non-IFRS measures in isolation, but in conjunction with measures calculated in accordance with IFRS. Non-IFRS measures reported by the Group may not be comparable to similarly titled measures reported by other companies as those companies may define and calculate such measures differently from the Group.

The definition of each of these non-IFRS measures is given below, and are reconciled to IFRS measures.

EBITDA, EBITDA (pre-IFRS 16), EBITDA margin and EBITDA (pre-IFRS 16) margin

The Group defines EBITDA as profit/(loss) for the year before income tax expense, finance expense, foreign exchange losses, depreciation of right-of-use assets, depreciation, amortisation and exceptional items. Exceptional items are material items that are considered exceptional in nature by virtue of their size and/or incidence. The Group defines EBITDA margin as EBITDA divided by revenue.

The Group defines EBITDA (pre-IFRS 16) as EBITDA before adoption of IFRS 16. IFRS 16 was adopted by the Group on 1 April 2019. The group used the modified retrospective transition approach. IFRS 16 does not allow comparatives to be restated if this method is used. Therefore EBITDA (pre-IFRS 16) is presented to enable consistent comparison between periods. The Group defines EBITDA (pre-IFRS 16) margin as EBITDA (pre-IFRS 16) divided by revenue.

The following table provides a reconciliation from profit/(loss) for the period to EBITDA, EBITDA (pre-IFRS 16), EBITDA margin and EBITDA (pre-IFRS 16) margin for the periods indicated.

	Year ended 31 March			Six months ended 30 September	
			(£m)		
	2018	2019	2020	2019	2020
				(unaudited)	
Profit/(loss) for the period	(5.7)	17.2	74.8	17.3	29.5
Adjusted for:					
Income tax expense	6.4	11.7	26.2	8.9	12.4
Finance expense	39.5	39.1	41.5	21.2	22.9
Foreign exchange losses	1.4	1.2	0.5	0.9	0.1
Depreciation of right-of-use assets	—	—	17.9	8.6	11.7
Depreciation and amortisation	6.5	10.6	11.6	6.0	6.7
Loss on disposal	0.1	—	—	0	0
Exceptional items	1.8	5.2	12.0	3.7	3.0
EBITDA	**50.0**	**85.0**	**184.5**	**66.6**	**86.3**
IFRS 16 Adjustments[1]	—	—	(20.1)	(9.5)	(11.5)
EBITDA (pre-IFRS 16)	**50.0**	**85.0**	**164.4**	**57.1**	**74.8**
Revenue	348.6	454.4	672.2	268.7	318.2
EBITDA margin (*unaudited*)	**14.3%**	**18.7%**	**27.4%**	**24.8%**	**27.1%**
EBITDA (pre-IFRS 16) margin (*unaudited*)	**14.3%**	**18.7%**	**24.5%**	**21.3%**	**23.5%**

Note

(1) Represents lease expense that would have been incurred if IAS 17 had applied to the periods to 30 September 2020 and 30 September 2019 (*unaudited*), and the year ended 31 March 2020.

Operating cash flow and operating cash flow conversion

The Group defines operating cash flow as EBITDA less change in net working capital and capital expenditure. The Group defines operating cash flow conversion as operating cash flow divided by EBITDA. The following table provides a reconciliation from EBITDA to operating cash flow and operating cash flow conversion for the periods indicated.

	Year ended 31 March			Six months ended 30 September	
			(£m)		
	2018	2019	2020	2019	2020
				(unaudited)	
EBITDA	50.0	85.0	184.5	66.6	86.3
Change in net working capital	10.3	(12.9)	(21.0)	(46.7)	(8.9)
Capital expenditure	(16.4)	(17.1)	(21.9)	(9.4)	(8.2)
Operating cash flow	**43.9**	**55.0**	**141.6**	**10.5**	**69.2**
Operating cash flow conversion (*unaudited*)	**88%**	**65%**	**77%**	**16%**	**80%**

Like-for-like growth

The Group defines like-for-like growth as growth of same own store revenue on a constant currency basis representing stores open for at least a full accounting 12 month period. For the purpose of this analysis, stores closed in March 2020 due to the COVID-19 pandemic have continued to be included in like-for-like growth analysis.

Key performance indicators

To assist recipients of this Registration Document in comparing the Group's historical financial performance from period to period, certain key financial and operating measures ("KPIs") have been presented in this Registration Document. Save where indicated, these measures have been extracted from the Group's management reporting systems but have not been audited or reviewed by external auditors, consultants, independent experts or other third parties. As some of these measures are not determined in accordance with

IFRS, and are thus susceptible to varying calculations, they may not be comparable to other similarly titled measures used by other companies and have limitations as analytical tools. Set out below is a description of these key financial and operating measures.

- *Pairs sold*. The Group defines pairs sold as the number of pairs of boots and shoes sold.
- *Number of stores*. The Group defines number of stores as the Group's own stores on streets and malls operated under arm's length leases.
- *E-commerce mix*. The Group defines e-commerce mix as revenue from the e-commerce channel as a percentage of total revenue.
- *Direct-to-consumer mix.* The Group defines direct-to-consumer mix as revenue from the direct-to-consumer channels (e-commerce and retail) as a percentage of total revenue.

Constant currency

The Group presents certain financial information at a fixed, constant currency exchange rate. Constant currency applies the same exchange rate to the six months ended 30 September 2019 and 30 September 2020 for non-sterling results, based on the Group's FY21 budget rates.

Currency presentation

Unless otherwise indicated, all references in this Registration Document to "sterling", "pounds sterling", "UK sterling", "GBP", "£", or "pence" are to the lawful currency of the United Kingdom. All references to the "euro" or "€" are to the currency introduced at the start of the third stage of the European economic and monetary union pursuant to the Treaty establishing the European Community, as amended. All references to "US dollars", "US$", "USD" or "$" are to the lawful currency of the United States.

The average exchange rates of US dollars and euros are shown relative to pounds sterling below. The rates below may differ from the actual rates used in the preparation of the financial statements and other financial information that appears elsewhere in this Prospectus. The inclusion of these exchange rates is for illustrative purposes only and does not mean that the sterling amounts actually represent such US dollar or euro amounts or that such sterling amounts could have been converted into US dollars or euro at any particular rate, if at all.

Average rate against pounds sterling

	US dollar			
Year	Period End	Average	High	Low
2016	1.2345	1.3554	1.4810	1.2158
2017	1.3524	1.2886	1.3582	1.2068
2018	1.2746	1.3351	1.4325	1.2516
2019	1.3263	1.2767	1.3326	1.2060
2020	1.3651	1.2838	1.3651	1.1555
2021 (through 7 January 2021)	1.3548	1.3065	1.3672	1.3548

	Euro			
Year	Period End	Average	High	Low
2016	1.1705	1.2243	1.3645	1.0983
2017	1.1250	1.1416	1.1968	1.0758
2018	1.1130	1.1302	1.1568	1.0999
2019	1.1813	1.1404	1.1985	1.0769
2020	1.1166	1.1252	1.2041	1.0733
2021 (through 7 January 2021)	1.1046	1.1090	1.1186	1.1046

Source: Bloomberg

Roundings

Certain data in this Registration Document, including financial, statistical, and operating information has been rounded. As a result of the rounding, the totals of data presented in this Registration Document may vary slightly from the actual arithmetic totals of such data. Percentages in tables have been rounded and accordingly may not add up to 100%.

Market, economic and industry data

Unless the source is otherwise stated, the information contained in this Registration Document related to markets, market sizes, market shares, market positions, economic and industry data in this Registration Document constitute the Directors' estimates, using underlying data from independent third parties. The Company obtained market data and certain industry forecasts used in this Registration Document from internal surveys, reports and studies, where appropriate, as well as market research, publicly available information and industry publications, including publications and data compiled by Statista and McKinsey & Company.

The Company confirms that all third-party data contained in this Registration Document has been accurately reproduced and, so far as the Company is aware and able to ascertain from information published by that third party, no facts have been omitted that would render the reproduced information inaccurate or misleading. While the Directors believe the third-party information included herein to be reliable, the Company has not independently verified such third-party information, and the Company makes no representation or warranty as to the accuracy or completeness of such information as set forth in this Registration Document.

Where third-party information has been used in this Registration Document, the source of such information has been identified.

No incorporation of website information

The contents of the Company's websites do not form part of this Registration Document.

Definitions and glossary

Certain terms used in this Registration Document, including all capitalised terms and certain technical and other items, are defined and explained in Part 11 (*Definitions and Glossary*).

Information not contained in this Registration Document

No person has been authorised to give any information or make any representation other than those contained in this Registration Document and, if given or made, such information or representation must not be relied upon as having been so authorised by or on behalf of the Company or the Directors. The delivery of this Registration Document shall not, under any circumstances, create any implication that there has been no change in the business or affairs of the Group since the date of this Registration Document or that the information in this Registration Document is correct as of any time subsequent to the date hereof.

Information regarding forward-looking statements

This Registration Document includes forward-looking statements. These forward-looking statements involve known and unknown risks and uncertainties, many of which are beyond the Group's control and all of which are based on the Directors' current beliefs and expectations about future events. Forward-looking statements are sometimes identified by the use of forward-looking terminology such as "believes", "expects", "may", "will", "could", "should", "shall", "risk", "intends", "estimates", "aims", "plans", "predicts", "continues", "assumes", "positioned", "anticipates" or "targets" or the negative thereof, other variations thereon or comparable terminology. These forward-looking statements include all matters that are not historical facts. They appear in a number of places throughout this Registration Document and include statements regarding the intentions, beliefs or current expectations of the Directors or the Group concerning, among other things, the future results of operations, financial condition, prospects, growth and strategies of the Group and the industry in which it operates. In particular, the statements under the headings "Risk Factors", "Business Description" and "Operating and Financial Review" regarding the Company's strategy, targets and other future events or prospects are forward-looking statements.

These forward-looking statements and other statements contained in this Registration Document regarding matters that are not historical facts involve predictions. No assurance can be given that such future results will be achieved; actual events or results may differ materially as a result of risks and uncertainties facing the

Group. Such risks and uncertainties could cause actual results to vary materially from the future results indicated, expressed or implied, in such forward-looking statements.

Such forward-looking statements contained in this Registration Document speak only as of the date of this Registration Document. The Company, the Directors and the Company's advisers expressly disclaim any obligation or undertaking to update these forward-looking statements contained in the document to reflect any change in their expectations or any change in events, conditions, or circumstances on which such statements are based unless required to do so by applicable law, rules and regulations.

PART 3

Directors, Secretary, Registered and Head Office and Advisers

Directors	Paul Mason (*Chair*) Kenny Wilson (*Chief Executive Officer*) Jon Mortimore *(Chief Financial Officer*) Lynne Weedall (*Senior Independent Non-Executive Director*) Tara Alhadeff (*Non-Executive Director*) Ije Nwokorie (*Independent Non-Executive Director*) Robyn Perriss (*Independent Non-Executive Director*) Ian Rogers (*Independent Non-Executive Director*)
Company Secretary	Alter Domus (UK) Limited 18 St. Swithin's Lane London EC4N 8AD
Registered and head office of the Company	28 Jamestown Road Camden London NW1 7BY
English and US legal advisers to the Company	Freshfields Bruckhaus Deringer LLP 100 Bishopsgate London EC2P 2SR
Auditors and Reporting Accountants	Ernst & Young LLP 1 More London Place London SE1 2AF

PART 4

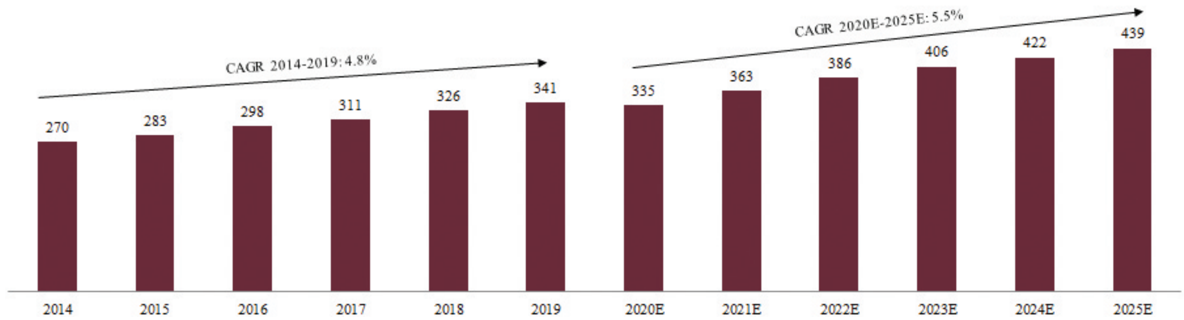
Industry Overview

The following information relating to the Group's industry has been provided for background purposes only. The information has been extracted from a variety of sources released by public and private organisations. The information has been accurately reproduced and, as far as the Company is aware and is able to ascertain from information published by such sources, no facts have been omitted which would render the reproduced information inaccurate or misleading. This Part 4 (Industry Overview) should be read in conjunction with the more detailed information contained in this Registration Document including Part 1 (Risk Factors) and Part 8 (Operating and Financial Review).

Global footwear industry

Dr. Martens operates in the global footwear market. Statista estimates that global retail sales of footwear in 2019 were £341 billion representing 12 billion pairs of footwear. Over the five-year period from 2014 to 2019 the industry has grown steadily at a compound annual growth rate ("CAGR") of 4.8% (2014-2019) and has remained resilient during economic downturns.

Footwear market size (retail sales, £ billions)



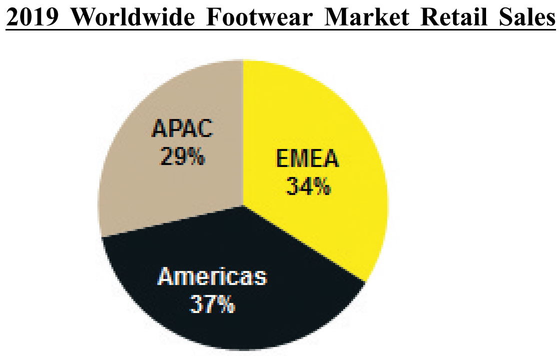
Source: *Statista Consumer Market Outlook—Footwear (June, 2020).*

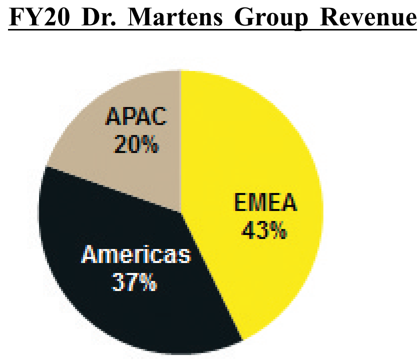
The footwear market is comprised of several sub-categories of shoes: sneakers, which according to Statista represented 16% of the global footwear market in 2019, athletic footwear (12% of the market), leather footwear (33% of the market) and textile and other footwear categories (39% of the market). The Directors believe that while Dr. Martens' primary market segment is the leather footwear market, it also competes with players in the sneakers and textile and other footwear categories. Company analysis of the global footwear market has highlighted that Dr. Martens consumers also wear Nike, Adidas, Vans and Converse and there is much less ownership overlap with other leather footwear, and in particular, boot brands. As such, the Directors believe that the brand is well positioned to compete for consumers' share of wallet on these categories too. The Directors also believe that the brand's unique product offering consisting of a leather upper, typical of leather footwear, and an air cushioned PVC sole, typical of casual shoes such as sneakers, makes their footwear extremely versatile.

Geographical split

The global footwear market is broadly equally divided between EMEA, the Americas, and APAC. As shown in the exhibit below, Dr. Martens has a diversified global presence, with sales in more than 60 countries. The Group's current geographical footprint, in terms of total Group revenue, is more weighted towards the US and EMEA, with APAC representing 20% of Dr. Martens' FY20 revenue as compared to 29% for retail sales of the entire footwear market. Given the attractiveness and high growth rates of the APAC region, the Directors believe that Dr. Martens' relative under-representation in this market represents a strong future growth opportunity for the Group.

Geographical breakdown (%)





EMEA represents Europe, Africa and West Asia (Middle East) and APAC represents Asia excluding West Asia (Middle East) as well as Australasia and Oceania as presented by Statista (Statista Consumer Market Outlook—Footwear (June, 2020)).

Footwear Channel Split

The footwear market is further segmented into the offline channel and online channel. According to Statista, 81% of global footwear retail sales were through offline channels in 2019 and 19% through online channels. Sales through the online channel grew at a 15% CAGR from 2017 to 2019, driven by increased investments of brands and retailers in their digital strategies to broaden their reach and increase consumer engagement. The growth is also reflective of increasing internet penetration and improvements in infrastructure across the world leading to greater consumer adoption of e-commerce channels.

The COVID-19 pandemic has further accelerated the channel shift towards e-commerce in 2020 and beyond, with the temporary closures of retail stores accelerating e-commerce adoption. Consumers are expected to continue shifting to shopping online in the following years and to continue to use digital channels, including social media, to engage with brands.

Dr. Martens' revenue from e-commerce channels has grown at a CAGR of 77% since FY18, from £44 million to £136 million in FY20. The Group has benefited from driving increased traffic and conversion, from increased brand awareness and improved operational execution in the channel, as well as from online expansion into new regions such as Italy, Spain, Portugal, Scandinavia and China. In FY20, e-commerce contributed 20% of the Group's total revenue compared to 15% for Nike, 12% for Vans and 5% for Levi's as of their last financial year.

Competitive landscape

The global footwear market is highly fragmented. Dr. Martens competes with a wide range of designers and manufacturers of footwear globally. According to a Company survey, Dr. Martens' consumers also wear sneaker brands such as Nike and Adidas in addition to brands such as Vans and Converse. The Directors consider these brands to be the Group's main competitors in terms of share of customer wallet. The Directors also believe that there is no direct competitor in the boot category: Two thirds of consumers surveyed in the UK, the market in which Dr. Martens' has operated for the longest period of time, do not consider any other brand when they buy Dr. Martens' products and there is very little overlap in ownership between Dr. Martens and other boot brands.

While Dr. Martens' competes in a highly fragmented market, the Directors believe there are many factors that differentiate the Group from the competition, including Dr. Martens' iconic brand, its British heritage and rich history, the products' legendary durability, and most importantly Dr. Martens' loyal and broad consumer base with a culturally eclectic core consumer.

Societal trends

The Directors believe that Dr. Martens is well positioned with respect to long-term societal shifts which are impacting consumer behavior. Expressions of identity of today's consumers across many aspects are more fluid than ever: Dr. Martens act as a blank canvas through which consumers can express themselves. Gender is one aspect of identity that has been redefined over recent years: Dr. Martens' products are unisex and therefore extremely democratic and inclusive across gender identities.

Casualisation trends, particularly the relaxation of "dress codes" for work and formal occasions is also conducive to Dr. Martens' continued growth. Dr. Martens products span both casual and formal occasions, suiting versatile lifestyles with consumers able to wear their Docs for multiple occasions on the same day without having to change footwear. Consumers view Dr. Martens as a practical everyday brand, with 52% of consumers wearing Dr. Martens at least once a week, with Dr. Martens having the highest share (36%) of consumers who "wear the brand for almost everything" when compared to its peers. The brand is popular across a wide range of occasions and events, including bad weather, for going out and for festivals and gigs, as well as school and work.

The Directors believe that consumers are increasingly engaged with brands, seeking brands that are authentic and reflect their values. One element of this is sustainability, with consumers increasingly seeking products that last. In consumer surveys, consumers listed the durability of Dr. Martens products as one of the principal reasons for purchase.

COVID-19 impact and resilience of the footwear market

The expansion of the COVID-19 outbreak into a global pandemic in March 2020 led to retail store closures worldwide, as countries put in place "strict lockdown" measures, and pushed the global economy into a deep recession as economic activity shrank and disposable income has declined. This is expected to have a short-term negative impact on the sales of the footwear market globally in the year 2020, with 2020 sales expected to decline by 2% compared to 2019. According to Statista, the global footwear market is expected to have a strong recovery post COVID-19 and to return to pre-COVID-19 levels by the year 2021, with a growth of 8% and 6% in 2021 and 2022 respectively. The industry is forecast to grow at a 5.5% CAGR from 2021 to 2025 to reach sales of £439 billion in 2025.

Dr. Martens saw continued growth in the Group's direct-to-consumer business during the COVID-19 pandemic, driven by strong growth in e-commerce while the Group's stores were temporarily closed in many regions. At the start of the lockdown period and given the uncertain outlook, the Group made the decision to access the UK Government's Job Retention Scheme for Dr. Martens' retail-based colleagues and UK manufacturing teams. Dr. Martens stopped accessing the scheme by the end of June 2020 once all UK stores had re-opened and the teams returned to work. Given the resilience in trading and financial strength of the business, the Board made the decision to return the taxpayer funds utilised from the UK Government's Job Retention Scheme, and these funds have now been repaid. The Group has not to date sought access to the Job Retention Scheme or similar programmes in the subsequent mandatory closures in the United Kingdom and elsewhere in November 2020 and January 2021.

Dr. Martens' headroom in select markets

The Group believes that it has a significant opportunity to expand in the £341 billion global footwear market (based on 2019 market size (Statista Consumer Market Outlook—Footwear (June, 2020))). The Group has worked with a third-party adviser to quantify the headroom for growth available to Dr. Martens based on the attributes of the Group's present consumer base in the UK, the US, Germany, France, Italy, Japan and China. Based on consumer surveys, the Group has identified 154 million consumers across these markets who have similar attitudinal profiles as the 16 million consumers who have bought Dr. Martens products in these countries in the last 24 months. Assuming the current typical frequency of purchase and average spend per purchase in each market, the 170 million existing and potential consumers indicates potential headroom for over £6 billion of annual sales (UK—£0.4 billion, US—£1.5 billion, Germany—£0.5 billion, France—£0.4 billion, Italy—£0.5 billion, Japan—£0.5 billion and China—£2.7 billion).

The Directors believe that the total addressable market available to Dr. Martens is significantly in excess of this £6 billion headroom, given Dr. Martens' current presence in more than 60 countries and relatively low current penetration in many markets, including those included in the headroom calculation. The number of pairs sold per capita highlights how underpenetrated Dr. Martens is in many large markets. For example, in the US and China in FY20 Dr. Martens sold 12 and less than 1 pair of boots per 1,000 population respectively compared with 31 pairs per 1,000 population in the UK. As Dr. Martens operates in markets over time, the markets tend to reach consumers with broader attitudinal profiles and so the Directors anticipate that the opportunity in the seven markets assessed would increase even further over time as the attitudinal profiles of consumers broaden.

The Group believes this global opportunity can be achieved by executing its tried and tested DOCS strategy to increase distribution and further brand awareness.

PART 5

Business Description

This Part 5 (Business Description) should be read in conjunction with the more detailed information contained in this Registration Document including the financial and other information appearing in Part 8 (Operating and Financial Review). Where stated, financial information in this section has been extracted from Section B of Part 9 (Historical Financial Information).

Overview

Dr. Martens is an iconic global brand and one of the most recognised footwear brands in the world, selling in excess of 11 million pairs of footwear annually in more than 60 countries with revenue of £672 million in the year ended 31 March 2020. The Company "perfectly" invented and launched its first boot in 1960, the eight-holed 1460 boot, with a yellow welt stitch, grooved sole and black and yellow heel loop, which remains largely unchanged today. The unique DNA of the 1460 is defined and preserved in the Originals product category, which sits at the core of the product strategy and informs the aesthetics for all other footwear categories. Dr. Martens started out as a humble work boot but was quickly adopted by youth cultures as a symbol of their individual self-expression and rebellious spirit. Six decades on, wearers continue to adopt the brand to express their unique style and alternative spirit but do so through a modern lens. Today, consumers continue to be attracted by Dr. Martens' unique DNA and uncompromising quality.

Dr. Martens' management team believes that a direct-to-consumer (retail and e-commerce) channel strategy is crucial for enabling the brand and business to reach their full potential in scale, in a sustainable way. A direct-to-consumer channel strategy allows for more direct touchpoints with consumers, better showcase of the footwear and the brand, access to more data and more controlled and strategic management of the brand. The Group's e-commerce channel, which serves as both a brand-reinforcing mechanism as well as an important point-of-sale, has proven to be one of the key elements of the Group's substantial growth in recent years, and is expected to continue to be the principal driver of growth over the coming years. In addition to its rapidly growing e-commerce business, the Group sells its footwear through more than 130 own retail stores which act as profitable and important consumer touchpoints, as well as concessions and through a business-to-business channel encompassing a high-quality network of strategic wholesale customers, distributors and franchisees. In the twelve months ended 31 March 2020 and the six months ended 30 September 2020, the Group's direct-to-consumer channel contributed 45% and 34%, respectively, of the Group's revenue (comprising both e-commerce (20% and 24%) and retail (25% and 11%), while the business-to-business channel contributed 55% and 66%, respectively, of revenue.

The Group now operates across three geographic regions that comprise the Group's three reporting segments: EMEA, Americas and APAC. In the twelve months ended 31 March 2020, EMEA contributed 43% of the Group's revenue, Americas 37% and APAC 20%. The Group has a strategic footwear portfolio comprised of the Originals, Fusion, Kids and Casual categories and a complementary range of Accessories.

Preserving its reputation for high standards is paramount for the Group. The Group's culture is rooted in an approach of "doing the right thing", which goes back to the origins of the brand as a family business and continues to this day to guide its approach to decision-making. The Group's management and employees strive to be custodians of the Dr. Martens brand. The Group has also developed a highly-engaged culture, with a people-first approach and a genuine and meaningful emphasis on engagement and team play, and has been regularly recognised for its distinctive culture. Most recently, in 2019 the Group was awarded "Best Place to Work Award" by Drapers, "Business Culture Achievement Award (Medium Business)" at the Business Culture Awards and "Employee Engagement and Experience Award" at the HR Distinction Awards.

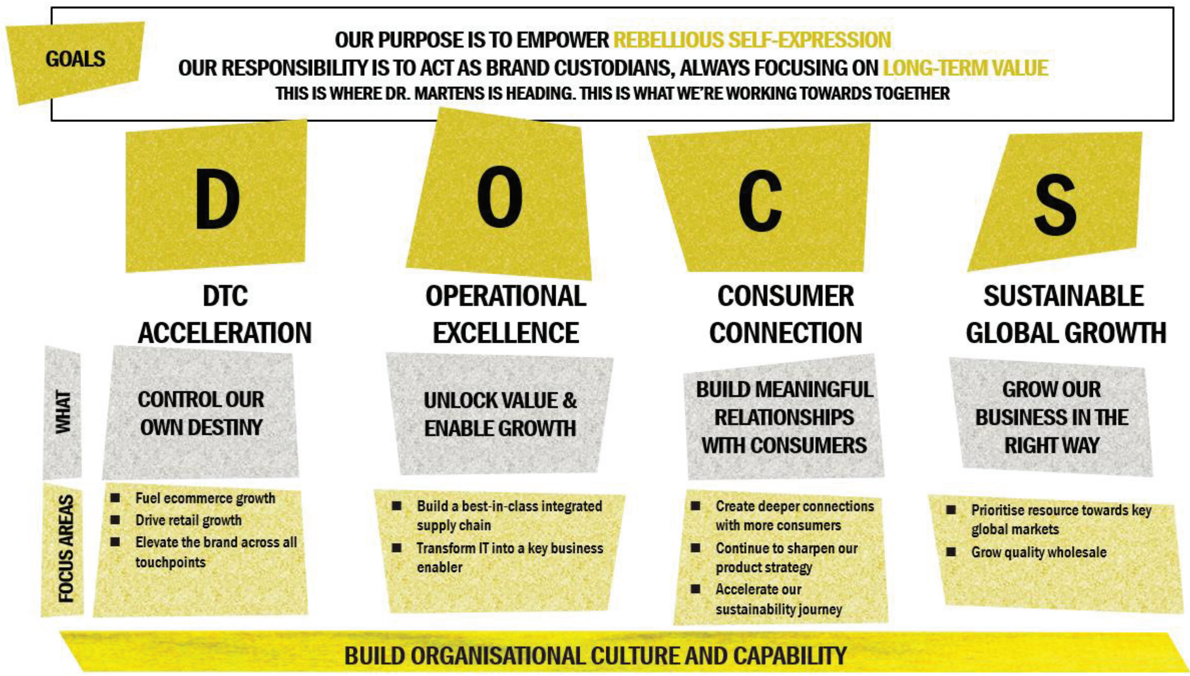
Since its acquisition by IngreLux S.àr.l. (the "Principal Shareholder"), a Luxembourg company owned by funds advised by Permira, in 2014, the Group has made significant investments in professionalising the business and in its operational backbone and capabilities, shifting its focus to emphasise the direct-to-consumer channel, allowing it to grow rapidly in recent years while delivering a strong and improving financial profile. The following table sets out certain key financial and operating metrics of the Group for the periods indicated.

	Year ended 31 March			Six months ended 30 September	
			(£m)		
	2018	2019	2020	2019	2020
				(unaudited)	
Financial KPIs					
Revenue	348.6	454.4	672.2	268.7	318.2
Gross profit	186.0	260.6	401.5	155.2	186.3
EBITDA	50.0	85.0	184.5	66.6	86.3
EBITDA (pre-IFRS 16)	50.0	85.0	164.4	57.1	74.8
Operating cash flow[(1)]	43.9	55.0	141.6	10.5	69.2
Margins (%)					
Gross margin (*unaudited*)	53.4%	57.3%	59.7%	57.8%	58.5%
EBITDA margin (*unaudited*)	14.3%	18.7%	27.4%	24.8%	27.1%
EBITDA margin (pre-IFRS 16) (*unaudited*)	14.3%	18.7%	24.5%	21.3%	23.5%
Non-financial KPIs					
Pairs (million)	6.9	8.3	11.1	4.8	5.5
Own stores	94	109	122	112	130
E-commerce mix	13%	16%	20%	14%	24%
Direct-to-consumer mix	40%	44%	45%	38%	34%

Note:

(1) FY20, H1 FY20 and H1 FY21 are on a post-IFRS 16 basis.

Even taking into account the rapid growth in recent years, the Directors believe that the Dr. Martens brand presence remains much bigger than reflected in the Group's current business results. The Directors believe that the Group's substantial brand equity and high levels of consumer engagement will facilitate the next phase of growth and, coupled with the significant untapped growth opportunities across its markets, will drive strong and sustainable growth in future years. To address these opportunities, the Group has created the DOCS strategy, which is focused on four pillars for growing the business: (1) direct-to-consumer acceleration, (2) operational excellence, (3) consumer connection and (4) sustainable global growth.



Competitive Strengths

The Directors believe that the Group is well positioned to continue its disciplined, sustainable and profitable growth due to its iconic brand and product, its well invested business model and its large attractive end-markets.

The Group has invested significantly in its core infrastructure and senior management which the Directors believe has enabled growth and will favourably position the Group for future profitable growth. It has also successfully transitioned to a direct-to-consumer led model and delivered rapid e-commerce growth, strong like-for-like sales growth and a structured store roll-out plan.

The Directors believe that the Group has a number of competitive strengths and attributes that differentiate Dr. Martens from its competitors and position it to succeed in the current environment and adapt to a rapidly changing world:

Iconic brand and iconic product

At the heart of Dr. Martens is a truly iconic British brand with over 60 years of heritage which has stood the test of time. The Group's boots are timeless cultural icons that are immediately recognisable, offering enduring appeal, legendary durability and cult status that surpass trends. Without losing its distinctive British heritage, the brand has become a global icon with millions of wearers worldwide and displayed in the collections and exhibitions of cultural institutions such as the Victoria and Albert Museum and MOMA. The brand remains a canvas for rebellious self-expression across generations and is adopted by a broad and diverse range of wearers who identify with the brand's spirit of rebelliousness and resilience and adopt the boots in their own individual style. This is an attitude embraced across cultures, ages, genders and social classes.

The 1460 is Dr. Martens' most iconic product having been "perfectly" invented six decades ago, maintaining the same style and design today as when it was created in 1960. Sales of the 1460 accounted for 42% of the Group's revenue in FY20. The 1460 is immediately recognisable with the distinctive features of Dr. Martens' boots: its trademark yellow welt stitch, grooved sole and black and yellow heel loop. This unique DNA is defined and preserved in the 1461 and in the rest of the Originals product category. Originals sit at the core of the product strategy and represented 60% of the Group's revenue in FY20. The Originals category informs the aesthetics for all other footwear categories: Fusion, Kids and Casual.

Appeal to a broad global consumer base

Dr. Martens appeals to a broad consumer base while retaining a distinctive identity and product. While the Group's marketing strategy is influenced by alternative consumers who have their own individual style with a proud sense of "self-expression", the brand resonates with and is worn by a much broader audience of footwear consumers. This strategy is summarised by the phrase: "to talk to everyone, you need to talk to someone". With an average UK retail price per pair between of £109 and £189, Dr. Martens is accessible for all consumers. This is reflected in the balanced demographic mix of the Group's customers across all metrics including gender, age, income level, and region as shown in the tables and figures below.

Dr. Martens consumer demographics

The Group has strong brand awareness with consumers that value their Dr. Martens boots and shoes. The following table shows consumer preference and awareness of the Dr. Martens brand based on the results of the Group's August 2020 consumer survey of the footwear market.

	UK	US	Germany	France	Italy	Japan	China
NPS rank[(1)]	#1	#1	#1	#1	#1	#1	#1
NPS vs. peers[(1)]	+61%	+24%	+50%	+37%	+26%	+193%	+29%
Awareness[(2)]	93%	75%	66%	82%	80%	72%	63%
Proud to wear DM	67%	82%	62%	67%	65%	71%	83%

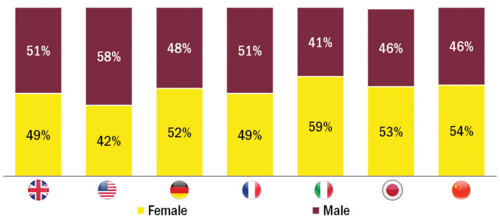
Note:

(1) Dr. Martens NPS compared to the average of Nike, Adidas, Vans, Timberland and Converse. NPS based on the Group's August 2020 consumer survey of those who had purchased from a brand in the previous 24 months responding to "How likely are you to recommend the following brands of footwear to a friend?"

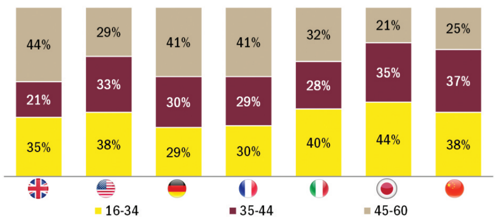
(2) Awareness based on the Group's August 2020 consumer survey of those who had purchased from a brand in the previous 24 months and were willing to spend at least £50 for a pair of good quality boots and indicated that they had "heard of" the brand.

The Group's footwear appeals to a broad consumer base with a balanced mix across gender, age, income and geographic regions, as shown in the figures below.

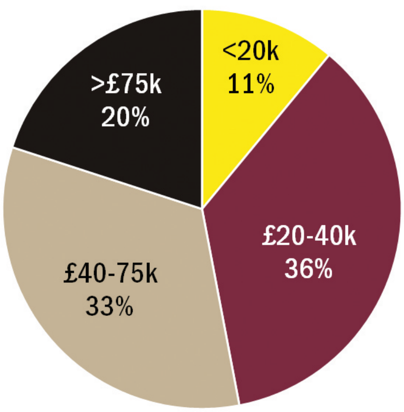
Dr. Martens' consumer split by gender



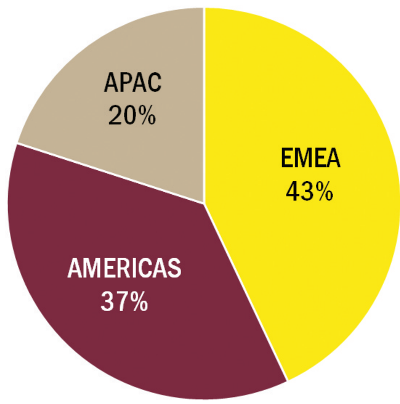
Dr. Martens' consumer split by age



Dr. Martens' consumer split by income



Dr. Martens' consumer split by region



Note: Based on the results of the Group's August 2020 consumer survey of the footwear market for consumers that had purchased a Dr. Martens product in the previous 24 months and the Group's revenue for FY20.

Dr. Martens' wearers purchase the brand at a relatively young age compared to the overall footwear market, with over 50% of new entrants into the Dr. Martens' brand in the UK being under 35 years old, and stay with the brand through their life.

	Recent Dr. Martens purchasers[(1)]	Total Dr. Martens purchasers	Footwear market
Ages 16 – 24	23%	17%	17%
Ages 25 – 34	31%	18%	19%
Ages 35 – 44	22%	21%	23%
Ages 45 – 60	23%	44%	40%

Note: Based on the results of the Group's August 2020 consumer survey of the UK footwear market for the 24 months ended August 2020.

(1) "Recent" refers to first purchases in the previous 2 years.

Dr. Martens' wearers demonstrate strong brand loyalty and Dr. Martens outperforms the market across a number of key metrics, as demonstrated by the results of the Group's August 2020 consumer survey of the UK footwear market.

	Dr. Martens' Score[(1)]	Relative to market[(2)]	Correlation to loyalty
"Fits with my personal style"	70%	+2%	0.79
"Is a brand for people like me"	73%	+3%	0.79
"Has a style I really love"	75%	+7%	0.79
"Makes me feel confident"	67%	+6%	0.70
"Makes me feel proud to wear them"	67%	+8%	0.70
"Has a classic / timeless look"	79%	+15%	0.50
"Is very comfortable"	76%	+1%	0.50
"Allows me to express myself"	66%	+12%	0.62
"Makes me feel fashionable"	60%	+4%	0.62
"Is a brand that all my friends wear"	36%	-5%	0.58

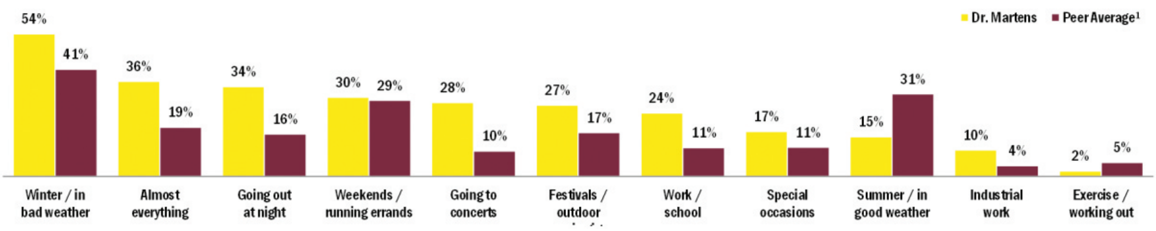
Note: Based on the results of the Group's August 2020 consumer survey of the UK footwear market.

(1) Based on the Group's August 2020 consumer survey of those who had purchased from a brand in the previous 24 months who responded "strongly agree" or "agree" to "For the following brands of footwear please indicate how much you agree or disagree with the statement".

(2) Based on the Group's August 2020 consumer survey of the UK footwear market including Dr. Martens and 13 peer brands.

Dr. Martens' wearers generally wear their Dr. Martens products frequently and for a variety of occasions, with over half wearing their Dr. Martens at least once per week and over one-third indicating they wear their Dr. Martens for almost everything, as demonstrated by the results of the Group's August 2020 consumer survey of the UK footwear market.

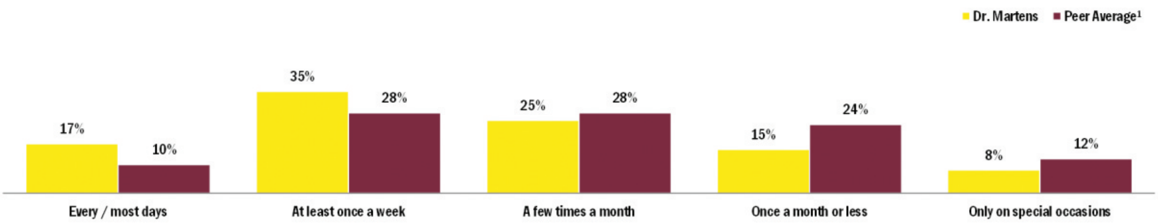
Dr. Martens' consumer responses to occasions for wearing



Note: Based on the results of the Group's August 2020 consumer survey of the UK footwear market for consumers who own at least one pair of a brand.

(1) Peer average based on certain non-sneaker peers (Birkenstock, Hunter, Timberland, Ugg and Vans).

Dr. Martens' consumer responses to frequency of wearing



Note: Based on the results of the Group's August 2020 consumer survey of the UK footwear market for consumers who own at least one pair of a brand.

(1) Peer average based on certain non-sneaker peers (Birkenstock, Hunter, Timberland, Ugg and Vans).

Wearers love their Docs

Dr. Martens' consumers are highly engaged and have a strong preference for the brand, as demonstrated by the brand's NPS which is significantly higher than a selection of peers (based on the Group's August 2020 consumer survey of the UK, US, German, French, Italian, Japanese and Chinese footwear markets). The Directors believe that Dr. Martens has a unique positioning with a strong emotional connection to consumers, allowing for self-expression. In a recent Instagram post the Group asked consumers how they feel wearing their Docs, responses included: "Doc Martens make me feel taller and more confident." The Group attributes the strong engagement with consumers to the ongoing two-way communications between the Group and its consumers.

Consumers are loyal to Dr. Martens owning, on average, more than two pairs of Dr. Martens in all markets surveyed, with more than 60% of consumers considered repeat shoppers (based on the Group's August 2020 consumer survey on the UK footwear market). Consumers follow the brand through their life stages, with 72% of consumers who first bought a Dr. Martens product more than five years ago saying they continued buying Dr. Martens' products and 67% didn't consider any other brand in their purchase decision (based on the Group's August 2020 consumer survey on the UK footwear market).

Direct-to-consumer led model enabling Dr. Martens to control its own destiny

The Group has focused on growing the brand through direct-to-consumer channels so it can enable control of the brand engagement with wearers, and represent the best environment to showcase the brand. Dr. Martens has rapidly grown its direct-to-consumer channels to comprise 45% of revenue in FY20, up from 26% in FY15.

Driving the direct-to-consumer acceleration is the growth in the Group's e-commerce channel which is its primary channel of focus and made up 20% of revenue in FY20, up from 7% in FY15. The scale of Dr. Martens' e-commerce business, as a percentage of total revenue, is outstanding when compared to other leading global footwear players: Nike at c.15%, Adidas at c.13% and Vans at c.12%, respectively. E-commerce enables the Group to offer consumers access to an extended footwear range and provides a channel to communicate directly with wearers and engage them with the Dr. Martens brand. It therefore reinforces the brand as a strong point-of-sale and, given the profitability of the Group's e-commerce business, serves to enhance Group profit margins.

Dr. Martens' e-commerce platform is complemented by the Group's retail channel, comprising 130 retail stores as at 30 September 2020 primarily located in key cities globally. The retail channel contributed 25% of revenue in FY20, up from 19% in FY15, as the Group added 77 new stores globally during this period and drove strong like-for-like growth in its existing store base. The Group's retail strategy has a high bar for new openings, focused on building profitable stores with short payback periods, focusing on a small footprint, with relatively short-term leases in brand appropriate locations. The Group's directly operated store network is an economically attractive channel with stores acting as profitable brand beacons and as a driver for e-commerce growth as new stores increase brand awareness. Further, retail stores allow the Group to create an exciting, brand relevant shopping experience and directly control the story telling, merchandising, presentation, and the selling of products.

The Group's wholesale channel provides physical distribution via third parties in locations or markets where the Group typically has a smaller number of stores or no stores. In many markets, wholesale presents a better route-to-market, via large, established third-party store networks, than retail and it also plays a significant role in increasing brand awareness globally, in particular in new markets. The Group has focused on optimising its wholesale account base, closing approximately 1,190 accounts from FY18 to FY20, and has prioritised its top wholesale account partners. Dr. Martens wholesale customers are now largely limited to best-in-class retailers who act as custodians of the brand and the Group is focused on expanding partnerships to make a more seamless experience with the Group's own direct-to-consumer network, increasing brand equity and supporting sales growth such as through icon walls or dedicated shop-in-shops.

Infrastructure built to scale

Dr. Martens has built an integrated global supply chain so the business can scale sustainably across geographies and channels, in addition to reducing costs. In July 2018, Dr. Martens strengthened its leadership team further, bringing on an experienced COO, Geert Peeters, to lead fundamental changes across the Group's Global Supply Chain function making it more modern, flexible, and sophisticated to support the growth of the business. Dr. Martens has developed, and begun to implement, a comprehensive set of supply chain strategies that focus on de-risking supply by diversifying the supply base; developing solid capabilities to plan for consumer demand and align supply chain capacity; implementing robust demand and supply processes to accurately anticipate consumer demand; establishing and maintaining strong strategic relationships with suppliers; investing in a top-talent team; and enhancing the Group's IT systems to support management of a bigger, more complex supply chain. The Group has de-risked its supply chain by diversifying both the supplier and factory base, outside of China, as well as establishing a detailed bottom-up supply chain cost savings programme. The Group has been able to continually scale production capacity to meet volume growth, whilst at the same time reducing China production from 46% of pairs in FY19 to 32% in FY20.

Track record of sustainable and profitable growth

The Group has a powerful growth strategy which has historically led to profits growing at a faster rate than sales. In the period from FY18 to FY20 Dr. Martens grew the number of pairs sold at a CAGR of 27%. Over the same period, channel mix and product mix enabled revenue growth of 39% and, together with the delivery of the first phase of supply chain savings, enabled gross profit growth of 47%. Over the same period, EBITDA grew (on a pre-IFRS 16 basis) at a CAGR of 81%. Operating expenses have grown over the period, with a selling and administrative expenses CAGR of 33%, as the Group invested significantly in scaling and professionalising the business.

Dr. Martens has shown broad based growth across all channels and geographies. In the period from FY18 to FY20 the Group's e-commerce, wholesale (including distributor and franchise) and retail channel revenues grew at a CAGR of 77%, 34% and 30%, respectively, while the Americas, EMEA and APAC regions grew revenue at a CAGR of 47%, 39% and 27%, respectively. The Group has strong profitability with FY20 EBITDA margin of 27% and strong cash flow generation, as evidenced by 77% operating cash flow conversion in FY20, reflecting the Group's capital efficient growth model.

Experienced management team—custodians of the brand

The Group has appointed a highly experienced and dedicated management team with a proven track record and extensive experience working with leading global brands, led by Kenny Wilson, CEO, who joined Dr. Martens in 2018 with more than 30 years of experience leading consumer brands. Other key hires over the last six years include a Chief Financial Officer, three regional presidents, a Chief Operating Officer, a Chief Product & Marketing Officer and a Chief Digital Officer.

The Group is highly focused on building the organisational capabilities and providing a culture for success and believes that its management philosophy PxWxR: Priorities x Who x Relationships is a critical enabler of success. The management team also has a proven track record of successfully working together and making decisions for the long-term success of the business and brand and believe that they act as custodians for the Dr. Martens' brand.

Large market opportunity

The Group believes that it has a significant opportunity to expand in the £341 billion global footwear market. The Group has worked with a third-party adviser to quantify the headroom for growth available to Dr. Martens based on the attributes of the Group's present consumer base in the UK, the US, Germany, France, Italy, Japan and China. Based on consumer surveys, the Group has identified 154 million consumers across these markets who have similar attitudinal profiles to the 16 million consumers who have bought Dr. Martens products in these countries in the last 24 months. Assuming the current typical frequency of purchase and average spend per purchase in each market, the 170 million existing and potential consumers indicates potential headroom for over £6 billion of annual sales (UK—£0.4 billion, US—£1.5 billion, Germany—£0.5 billion, France—£0.4 billion, Italy—£0.5 billion, Japan—£0.5 billion and China—£2.7 billion).

The Directors believe that the total addressable market available to Dr. Martens is significantly in excess of this £6 billion headroom, given Dr. Martens' current presence in more than 60 countries and relatively low current penetration in many markets, including those included in the headroom calculation. The number of pairs sold per capita highlights how underpenetrated Dr. Martens is in many large markets. For example, in the US and China in FY20 Dr. Martens sold 12 and less than 1 pair of boots per 1,000 population respectively, compared with 31 pairs per 1,000 population in the UK. As Dr. Martens operates in markets over time, the markets tend to reach consumers with broader attitudinal profiles and so the Directors anticipate that the opportunity in the seven markets assessed would increase even further over time as the attitudinal profiles of consumers broadens.

The Group believes this global opportunity can be achieved by executing its tried and tested DOCS strategy, as described below, to increase distribution and further brand awareness.

Strategic roadmap

Dr. Martens is focused on delivering sustainable and profitable growth and driving long term value for the brand and its shareholders. The Directors believe there is a medium term opportunity to grow the business substantially while delivering on their responsibility to act as brand custodians, always focusing on long-term value. The Group is aiming to deliver this by continuing to execute its tried and tested DOCS strategy. The four pillars of the DOCS strategy are:

Direct-to-consumer led growth—controlling our destiny

Dr. Martens is focused on growing the brand through direct-to-consumer channels which enable control of the brand engagement with consumers, and represent the best environment to showcase the brand.

Fuel e-commerce growth

Dr. Martens has scaled the e-commerce channel quickly and it remains the Group's priority growth area. In FY18, Dr. Martens placed additional emphasis on the online strategy with a number of initiatives put in place including: (i) a replatform of e-commerce sites in EMEA and Americas, as well as South Korea and Japan; (ii) an upgrade of the foundation of sites in key geographies such as the UK and mainland Europe in order to deliver a more localised, user friendly experience; (iii) the launch of an online channel in China via Tmall; and (iv) an improvement in the use of data analytics tools to generate more robust insights. The Group has a clear and well-prioritised roadmap for growth in e-commerce. Dr. Martens will also continue its investments in digital marketing to fuel the growth of e-commerce. The Group's digital marketing is resonating with consumers and the Group will continue to attract and engage with consumers through social media platforms that feature the brand and products.

Continue to use stores as profitable brand beacons

Dr. Martens has driven outstanding like-for-like growth in its retail stores: FY20 like-for-like growth was 21%. The Group seeks to continue to drive strong like-for-like growth in its stores through several initiatives such as staff training and stock availability, as well as labour scheduling. The Group has seen productivity improvements after the implementation of StoreForce and the Friedman methodology in the US where conversion (being the percentage of consumers who visit a store and purchase a product) increased from high single digits to mid-teens. The Group is currently rolling out these tools in Europe, where it is already seeing a similar improvement in performance as in the US, and will aim to roll-out these tools in Asia in the near future.

Dr. Martens also plans to drive sustainable expansion of its retail footprint with the addition of new, profitable, retail locations globally. Dr. Martens takes a rigorous, cautious and highly data-driven approach when scouting for and opening retail locations.

Operational excellence—unlock value and enable growth

Dr. Martens continues to professionalise and invest in its operational infrastructure to unlock value and enable growth. The Group is implementing a supply chain cost reduction programme. The Group's supply chain has the scale to produce enough pairs to support the near-term trajectory and aims to build out capacity enough to support over twenty million pairs, two times the number of pairs it produces today, by FY24. Dr. Martens continues to invest in the Group's IT systems to support better forecasting and management of bigger, more complex supply chain, and has created plans for developing a stronger infrastructure and technology backbone through the acquisition and use of several technologies beyond the current systems the Group has today.

Consumer connection—build meaningful relationships with consumers

Dr. Martens is focused on creating deeper connections with more consumers, using consumer insights to develop effective marketing strategies aimed at increasing engagement with consumers and broadening the Group's consumer base. A particular emphasis has been placed on improving understanding of consumer segments to help engage in a more meaningful, tailored two-way conversation, focusing initially on digital and social channels, and also continuing to broaden the consumer base whilst retaining the brand's differentiating attributes. Alongside this, the consumer experience on social media has been improved through the implementation of an upgraded social listening tool, enabling Dr. Martens to better capture consumer sentiment across these channels, and supporting more thorough and timely responses to queries and comments.

Sustainability is becoming a vital area of focus as consumers and employees are increasingly engaged in this topic. Dr. Martens has developed an over-arching sustainability strategy and targets which have led to an extensive program of actions based on five pillars: (1) *Design Responsibly*, investing in research and innovation to adopt the mindset of circularity in the product development process; (2) *Produce Responsibly*, driving environmental initiatives in the supply chain; (3) *Sell Responsibly*, driving sustainability through design and procurement in retail; (4) *Treat People Responsibly*, committing to fair and decent working conditions throughout the Group's supply chain and owned operations; (5) *Do More for our Communities*, supporting causes which drive forward positive change and empower rebellious self-expression. The Group's sustainability strategy is overseen by a sustainability committee chaired by the CEO. See "*—Social and Environmental Sustainability*" in this Part 5 (*Business Description*) for additional details on the Group's sustainability initiatives.

Sustainable global growth—grow our business in the right way

Dr. Martens believes that it has a significant opportunity for growth within the £341 billion global footwear market. The Group benefits from strong brand awareness globally, which provides significant basis for growth. Dr. Martens is focused on sustainable growth, applying the Group's tried and tested DOCS strategy in every market, with resource prioritised towards key markets.

In more established markets such as the UK, the US, France and Germany, the Company is focused on continuing to drive direct-to-consumer led growth, in particular e-commerce, whilst maintaining continued high quality growth of its wholesale business, including developing collaborations with premier wholesale partners, known as Amp Accounts, such as Dover Street Market and END. to build consumer awareness and brand equity.

In certain markets, such as Eastern Europe and Spain/Portugal, the Dr. Martens brand is operated by distributors. In recent years, the Group has successfully converted certain of its key markets in Europe, including Germany and the Baltics/Nordics, from a distributor to an owned-and-operated subsidiary basis. In Germany, since Dr. Martens took back control of the market, the Group has been able to control and drive growth, by broadening assortment, opening 8 new stores, reducing wholesale accounts to 240 and doubling the product range breadth. The Group will continue moving forward with this market conversion strategy in certain markets where the Group believes it will be beneficial for long-term growth. In FY22, the Group's distributor in Italy will transfer the wholesale distribution for the Italian market to Dr. Martens. The Company is also planning on converting Spain and Portugal to a wholesale market model by FY22.

In China, the Group operates through a physical distributor and an online channel. The Group's physical distribution is carried out through one distribution partner that operates franchise stores in China. In October 2017, Dr. Martens launched an e-commerce offering in China on the Tmall platform, the country's largest 3rd party e-commerce marketplace. Dr. Martens' performance in China to date has been very strong, with e-commerce seeing significant growth in FY20. In addition, in 2019, Dr. Martens was the best-selling footwear brand on Tmall's platform. The Group believes there is significant potential and opportunity to grow Dr. Martens' channels in China. Growth in China will primarily be driven by e-commerce and supported by franchise door expansion.

RESILIENCE OF THE GROUP DURING THE COVID-19 PANDEMIC

The Group's overall strategy has remained unchanged throughout the pandemic, but the focus was temporarily shifted towards surviving the crisis during the peak of the pandemic. This consisted primarily of a two-pronged approach of prioritising people (the Group's employees, consumers and partners) and maintaining strong cash flow. The Group continues to monitor the effects of the COVID-19 pandemic on its business and the economies of the countries where the Group operates and may implement further procedures to safeguard its business, taking into consideration the various national and local government regulations, policies and recommendations for addressing the COVID-19 pandemic.

The Group's people strategy emphasised the safety, health and wellbeing of its employees, consumers and partners. This included implementing social distancing measures, encouraging work from home, adopting red/blue team schedules, stopping all non-critical travel and providing temperature checks, face masks and hand gel, where appropriate. New and better videoconferencing technology was rolled out to the whole organisation. The Group requires all third-party suppliers and sub-contractors who manufacture or finish products to comply with its Supplier Code of Conduct and Workplace Standards, which cover employment practices such as wages and benefits, working hours, health and safety, working age and modern slavery practices. The Group reiterated to all of its suppliers the continued expectation that they would comply with the Supplier Code of Conduct and Workplace Standards throughout the COVID-19 pandemic. This led to both the early closure of stores and offices and to the implementation of a number of support initiatives. All stores in EMEA and the Americas were closed from 16 March 2020 and in Japan from the end of March 2020; and stores in certain jurisdictions (including the United Kingdom) were closed in November 2020 and January 2021 following a resurgence of the virus; stores in South Korea and Hong Kong remained open to trade throughout. The stores of many wholesale partners were also closed throughout this period.

The Group also took steps to ensure the business could maintain a strong cash position in the short and longer-term. Finance and accounts payable teams were mobilised to create a Base Case Planning and Cash Collection task force. Similarly, the business protected its strategic partnerships with consumers and suppliers alike and agreed mutually beneficial payment terms. The Group built additional cash headroom by increasing the size of its available undrawn facilities.

With much of the retail store distribution network unable to trade, resources were redeployed towards the online business. Some store staff were asked to support e-commerce, consumer services and social media teams. Prudent health and safety measures were put in place in the distribution centres to ensure that products could continue to be shipped in a timely manner to consumers. This meant that Dr. Martens could successfully generate revenue throughout the lockdown period. The Directors believe much of the Group's prospective offline revenue shifted online, as the result of strong product availability achieved via inventory redeployment, which broadly offset the losses resulting from closed stores.

The focus on people, combined with tight cash flow management, has meant that the Group was able to safeguard people's livelihoods: all jobs were protected, no redundancies were made and all employees continued to receive 100% of their salary. While Dr. Martens did make use of UK government support and furloughed its store staff for a short amount of time, given the success of online operations, furlough subsidies (where available) were repaid in August 2020.

History of the Brand and the Group

History of the brand

Dr. Martens' origins date to 1945, when Dr. Klaus Maertens, a 25-year-old soldier and medical doctor at the time, created a unique air-cushioned sole (rather than the traditional hard leather sole) to aid his recovery from a broken foot. Dr. Maertens made a prototype shoe and showed it to a friend and engineer, Dr. Herbert Funck. The two went into partnership and by 1947 they began formal production of their unique shoe. Within a decade they had a booming business. By 1952, sales had significantly grown so much that they opened a factory in Munich. In 1959, British shoe manufacturer R. Griggs Group, co-owned by Bill Griggs, bought rights to manufacture the shoes in the United Kingdom. Griggs took the sole and created a new boot, which included an altered sole shape, a bulbous but simple upper, a distinctive yellow welt stitch, a grooved sole edge and a new undersole design. The boots were branded as "Airwair" and came complete with a black and yellow heel loop featuring the brand name and the slogan "With Bouncing Soles". Taking its name from date of its inception, 1 April 1960, the iconic eight-holed 1460 Dr. Martens boot had arrived. The following year, 1 April 1961, the 1461 shoe was born.

Dr. Martens' first few years of existence was that of a £2 work boot, selling primarily to Britain's working classes. Then, Dr. Martens were picked up by early multi-cultural, "ska" loving youth, who proudly championed British working-class style. Shortly after, Pete Townshend of "The Who" rock band became the first high profile entertainer to wear them as a symbol of his own working-class pride and rebellious attitude. In so doing, the course of the brand's history changed into a subcultural essential. The 1970s, the decade of glam, punk, "Two Tone" popular music and early "goth", saw British youth culture mushroom into countless distinct groups. By the end of the decade the boot had become a symbol of self-expression at the very heart of British youth culture. Sales of small men's size boots alerted Dr. Martens to a street trend for women buying then customising (usually with florals) the simple eight-hole boot. Meanwhile, US "Hardcore" musicians touring the United Kingdom began to take pairs of Dr. Martens back to the west coast, thus inadvertently starting American subculture's adoption of the brand. In 2003, the wider revitalisation of the brand began, with high fashion designers from around the globe re-interpreting and customising the classic 1460 boot. In 2020, a revitalised Dr. Martens celebrated its sixtieth anniversary: six decades that have witnessed the brand's adoption by a diverse range of groups, celebrities, musicians and free-thinking individuals—each adopting the boots and shoes to suit their own personal attitudes and identity.

History of the Group

During the period from the 1960s to Permira's ownership, the Group grew from a small UK family business into a multi-national group operating in a number of countries. Product expansion and geographic expansion evolved through the 1970s, 1980s and 1990s mainly through distributors. From 1994 the Group began to develop a network of wholly-owned subsidiaries beginning with the US and Canada. In the 2000s, the Group moved most of its production to Asia where it remains today. By the time of the 50th anniversary of the 1460 boot in 2010, the Group had been through a challenging period and, with the brand as popular as ever, management began to look at ways of securing further investment for growth which ultimately led to the sale to Permira in 2014.

In 2014, the Principal Shareholder, a company ultimately owned by the Permira Funds, acquired a majority controlling interest in the Group, marking the start of a significant operational transformation and professionalisation.

Significant operational transformation and professionalisation

While it enjoyed a strong brand reputation and recognition, prior to its acquisition by Permira the Group was a family-run business with a centralised structure and an underinvested operational backbone. Following its acquisition by Permira, the Group embarked on an investment-led operational transformation programme designed to transform and strengthen the business and processes, with a view to enabling growth and unlocking value. The key elements of this transformation programme included:

- *Organisation*. Investing in an experienced leadership team, with a balanced global/local structure and increasingly professionalised processes;
- *Product.* Implementing and executing a strong category strategy that focuses on core products and those within the brand's DNA, rationalising style count and developing a structured go-to-market process;
- *Channel strategy and distribution.* Implementing and executing a strategic and integrated channel strategy with a prioritised direct-to-consumer roadmap (in particular e-commerce, with significant investments in the Group's digital capabilities and team), while focusing on strong strategic wholesale customers;
- *Technology function.* Implementing a plan to transition technology from a support function to an enabling function, in line with the Group's mobile-first strategy;
- *Supply chain.* Investing in the supply chain by improving the infrastructure, increasing capacity, de-risking supply and reducing delivery time to consumers through additional distribution centres in every region and reduced production lead time; and
- *Marketing*. Moving from a loosely-integrated approach to marketing, to a central team managing a cross-channel approach with local regions controlling budget.

BUSINESS DESCRIPTION

Product offering, design and merchandising process and marketing

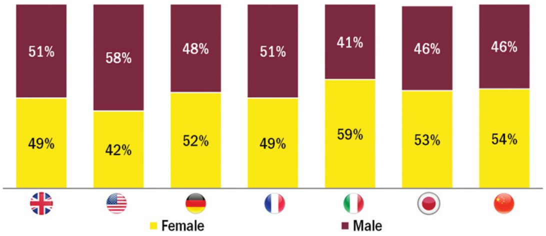
Product offering

Brand identity and equity

The Dr. Martens brand is one of the most recognised footwear brands in the world, with a clear identity of rebellious self-expression. It is a uniquely-positioned brand with a dedicated following, enduring relevance and significant headroom to grow in key markets.

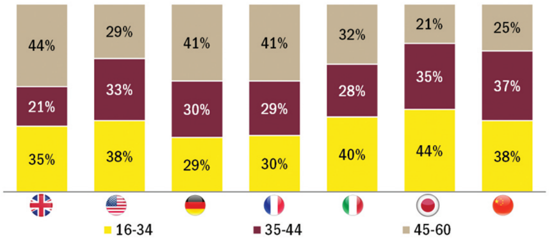
The Dr. Martens brand has a strong emotional connection with its consumers. Consumers see the brand as a core part of their lives and are highly engaged with it. For instance, as of the date of this Registration Document, Dr. Martens had 2.7 million followers on Instagram (2.0 million followers on Facebook) and enjoyed an engagement level of 13% during the 12 months to 31 March 2020, over twice that of its nearest competitor (Moncler—5%, Converse—6%, Timberland—4%, Ugg—5% and Vans—5%). The Group's August 2020 consumer survey has found that consumers are 83% more likely to trust the opinions of their friends, families and peers over the brand itself, providing added value to the Group from its strong engagement levels with consumers on social media. It also enjoys high levels of Net Promoter Score ("NPS") among consumers. Among consumers who had purchased a Dr. Martens' product in the two years to August 2020, it achieved a number one NPS rating in the UK, the US, Germany, France, Italy, Japan and China, scoring approximately 61%, 24%, 50%, 37%, 26%, 193% and 29% higher than its peers, respectively. These high levels of engagement and satisfaction translate into a dedicated consumer base with high intentions to buy. According to the Group's August 2020 survey of consumers, 72% of those who first purchased Dr. Martens more than five years ago continued to purchase Dr. Martens products, 60% of consumers are repeat purchasers and 67% stated they did not consider any other brand in their purchase decision. The brand also has a broad democratic appeal across demographics, with a balanced age, gender and income mix among its consumers. The following figure sets out Dr. Martens' consumer base composition by age and gender across the United Kingdom, the United States, Germany, France, Italy, Japan and China (as of August 2020).

Dr. Martens' consumer split by gender



Note: Based on the results of the Group's August 2020 consumer survey of the footwear market for consumers that had purchased a Dr. Martens product in the previous 24 months and the Group's revenue for FY20.

Dr. Martens' consumer split by age



Note: Based on the results of the Group's August 2020 consumer survey of the footwear market for consumers that had purchased a Dr. Martens product in the previous 24 months and the Group's revenue for FY20.

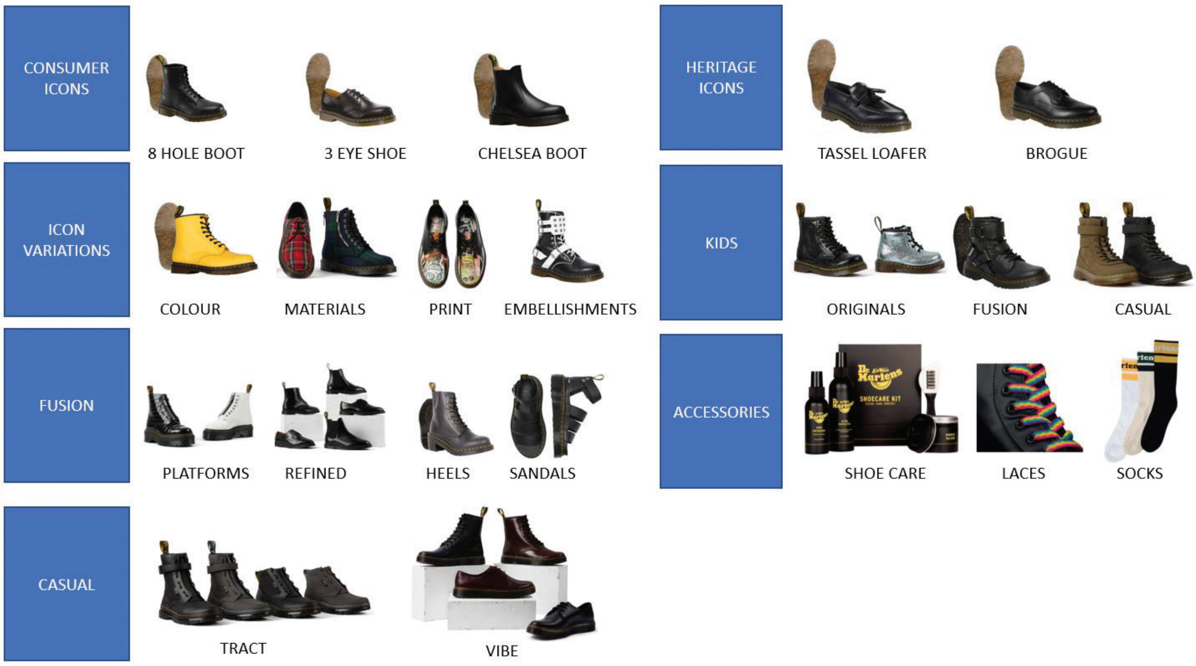
The Directors believe that the Dr. Martens brand presence remains much bigger than reflected in the Group's current business results. There are significant opportunities to leverage Dr. Martens' distinctive brand equity to bring new consumers into the brand across all key markets, without major changes to the current brand offering. According to a lookalike analysis by the Group in August 2020, the Group can grow its consumer base by approximately 30 million by extending its marketing reach and distribution in the UK, the US, Germany, France, Italy, Japan and China. For more detail, see the section titled "*Dr. Martens' headroom in select markets*" in Part 4 (*Industry Overview*).

Product categories

Since its creation, Dr. Martens has offered a distinctive product range characterised by its alternative appeal and authenticity, with a clear identity of rebellious self-expression. Dr. Martens maintains a core set of global products, the "Icons", while also seeking to expand its product line. However, even as it broadens its appeal to new consumers and introduces new categories, Dr. Martens remains true to its core 'expressive' DNA. Its product categories now include Originals, Fusion, Kids, Casual and Accessories. Originals continue to contribute the majority of the Group's revenue, followed by Fusion.

In managing the balance between timeless styles and alternative trends, the Group's product strategy has centred around the "Icons", while expanding the product line through true-to-brand variations and categories. Accordingly, as part of the transformation programme that began in 2014, the Group significantly reduced style count, on the back of portfolio rationalisation and a more stringent product development process, including a focus on core products. To account for country-specific consumer tastes and market needs, the Group's regional brand teams create seasonal assortments from the global collection that strategically target different consumers across different channels.

The following figure illustrates Dr. Martens' product categories as of the date of this Registration Document.



Originals

Originals define and preserve the essence of the Dr. Martens brand. They sit at the core of the product strategy and inform the aesthetics for all other categories—"Everything is born from Originals". The Originals category is centred around the "Icons", ten iconic styles immediately recognisable by consumers, with cues and IP characteristics that transcend into product design. The "Icons" are at the centre of all of Dr. Martens' brand campaigns and are merchandised on the "Icon Wall" at the Group's own and most franchise retail stores around the world.

The Originals category comprises boots, shoes and loafers, which stay true to the Dr. Martens heritage and DNA. Included within the Originals category is the "Made in England" range, the range that the Group continues to manufacture in-house, which comprises some of its most iconic pieces handcrafted in its original Wollaston factory. Four examples of the Icons which make up the Originals category are:

1460 boot

1461 shoe

2976 Chelsea boot

Adrian tassel loafer

In order to drive continued relevance and appeal to a range of consumers, the Group expands on the core "Icons" with variations across: colour, including visual impact in all channels; materials, including amped up and toned down for different consumers; print, to make a statement for expressive consumers; and embellishments, to provide alternative looks for edgier consumers. The Group also launches a number of designer collaborations to generate excitement about the brand and broaden consumer awareness and base. Collaborations typically feature one or more re-worked "Icons" in collaboration with famous designers or artists, leveraging third-party creativity and recognition while highlighting Dr. Martens' heritage and values. While collaborations represent a very small proportion of total pairs sold (approximately 1% in the year ended 31 March 2020), they play an important role in building brand equity and a sense of newness and excitement within the brand.

The Originals category is a robust and still-growing business. In the year ended 31 March 2020 the Group sold £406 million from the Originals category, which accounted for approximately 60% of the Group's total revenue (excluding collaborations).

The Originals category also houses the Group's work and safety boot collections that are focused on performance elements such as slip resistance and waterproofing.

Moving forward, the Directors intend to continue to focus on Icons, introducing newness through materials, colours, print and embellishment, emphasising different styles and wearing occasions to appeal to a range of consumer segments.

Fusion

Dr. Martens' Fusion category epitomises an expression that can bring disruption to the norm, providing an alternative feel while maintaining and building on the brand DNA. It represents a vehicle to stimulate brand energy with alternative and trend-inspired design languages, capturing consumers looking for new wearing occasions. The Fusion category comprises platform boots and shoes, sandals, heels and refined takedowns of the Originals. Some key examples of the Fusion style are:

Jadon

Sinclair

Dr. Martens' platform boots and shoes retain all of the Originals' details—grooved edges, yellow stitching and a heel-loop—but add an extra height platform sole. They include standout leather platforms as well as vegan alternatives built to empower individual styles. The Jadon boot has become a familiar staple whilst strongly resonating with an alternative core consumer. Sandals reference the signature features of Dr. Martens' shoes and boots, including the signature yellow stitching, and include platform sandals and standout hardware editions. Heels create variation for those looking for a heeled design. Refined range dials down the DNA, appealing to consumers who want a product for a more formal wearing occasion whilst retaining the unmistakable style.

In the year ended 31 March 2020 the Group sold £165 million from the Fusion category, which accounted for approximately 25% of the Group's total revenue.

Moving forward, the Directors intend to keep growing the Fusion category. To continue to drive growth in Fusion, the Group plans to place a continued focus on sandals to balance seasonality and leverage the category by driving complementary purchases by consumers who already own Originals.

Kids

Dr. Martens' Kids collection aims to empower the next generation of rebellious thinkers, from new-born infants to youngsters starting school. The Kids category has grown to become an integral part of the Group's product offering. The Kids category includes boots, shoes and sandals. Within the Kids category is the "mini-me" range, which includes certain "Icons" taken down to smaller sizes.

In the year ended 31 March 2020 the Group sold £31 million from the Kids category, which accounted for approximately 5% of the Group's total revenue.

The Directors believe that the Group's relative under-representation in this category represents a strong future growth opportunity for the Group. As such, the Group intends to expand its Kids range into more stores to improve the products' visibility, grow the back-to-school offering for key markets and create more gifting opportunities.

Casual

The Casual category represents an alternative to Originals and Fusion, built with Dr. Martens' DNA and attitude through a contemporary lens. Designed for day-to-day wear, this category is centred around the Tract and Vibe collections.

In line with its strategy, the Group uses the Casual category as an entry point into the brand for consumers who usually wear athletic footwear. The Casual category serves as a stepping stone into the brand for these consumers. In the year ended 31 March 2020 the Group sold £43 million from the Casual category, which represented approximately 6% of the Group's total revenue.

Accessories

In recent years, the Group has actively narrowed its focus to core accessories including shoe related products such as shoe care, laces and socks, leather bags and small leather items. The design and merchandising philosophy in Accessories is to maintain the Group's focus on a narrow product range and product quality, which relates to its core leather footwear offering.

Moving forward, the Directors expect to maintain the narrower, focused product range of bags, wallets, shoe care, laces and socks.

Design and merchandising process

Innovation has been at the heart of the Group's vision since the birth of the 1460 boot in 1960. Research and development continues to drive the Dr. Martens brand forward with a creative mantra of continuous improvement across all categories. Centred around the needs of the consumer, research and development drives the delivery of new concepts, including outsole development, weatherproofing and material innovation all anchored within the brand's DNA. The Group has invested in a new creative team focusing on innovation and sustainability across all product categories, the primary role of which is to "create the future while respecting the past". Digital 3D prototyping is used to accelerate the research and development process.

The structure of the Group's Creative and Merchandising teams align to the product categories that the Group offers: Originals, Fusion, Casual, Kids and Accessories. In additional to these in-line categories, a specialised team has been formed to create Collaborations and Special Projects that enhance the in-line product offering. The continued ability to keep the core product collections fresh through seasonal variations comes by way of a team that has its sole focus on colour, material and graphic applications.

A true global lens is achieved by having regional product leaders situated in the Americas, APAC and EMEA regions. Each Regional Head of Product provides regional and country-specific insights that inform the seasonal product collections.

Marketing and brand communication

Marketing

The Group's marketing team is organised via a global and regional structure. The primary role of the global marketing function is to set the Group's marketing strategy, utilising a marketing framework that informs activities in each region. The regional functions then adopt the overarching framework and execute regional strategies through a local lens ensuring any nuances are addressed whilst delivering upon the global objectives.

The Group's global marketing function has identified four overarching marketing themes to set its marketing strategy and goals:

- *A Democratic Brand;* harnessing the Group's diverse and inclusive global appeal to grow the consumer base;

- *True to our Heritage*; adopted by youth culture, the Group underpins trends whilst remaining relevant to modern day tribes;
- *Rooted in Icons*; while expanding the Group's range through style and category variations; and
- *One Global Brand;* globally consistent, locally relevant.

In line with these drivers, the Group has developed a marketing strategy that focuses on achieving deep consumer connectivity through meaningful and purposeful story telling. The purpose of the strategy is to drive brand health across the Group's markets; to ensure that the Dr. Martens brand stays relevant across cultures and across time, with a view to acquiring new consumers and nurturing loyalty; and to build marketing tools that will support the Group's demand-generation efforts, to help scale the business for it to catch up with the brand. To deliver these objectives, the Group has adopted a set of best-practice principles that define its marketing approach:

- To develop a holistic, cross-channel approach to digital and marketing to maximise consumer impact;
- To take a global approach, with local customisation to ensure consistency with regional nuance; and
- To take decisions across channels that are based on data and analytics, without losing ability to follow intuition.

In the period from FY18 to FY20, the Group's marketing spend as a percentage of revenue amounted to approximately 4% each year (calculated on a constant currency basis). Looking forward, the Group intends to modestly increase its marketing spend by 0.5 percentage points per year through authentic grass roots activities, which the Directors expect will help drive growth.

Operating structure

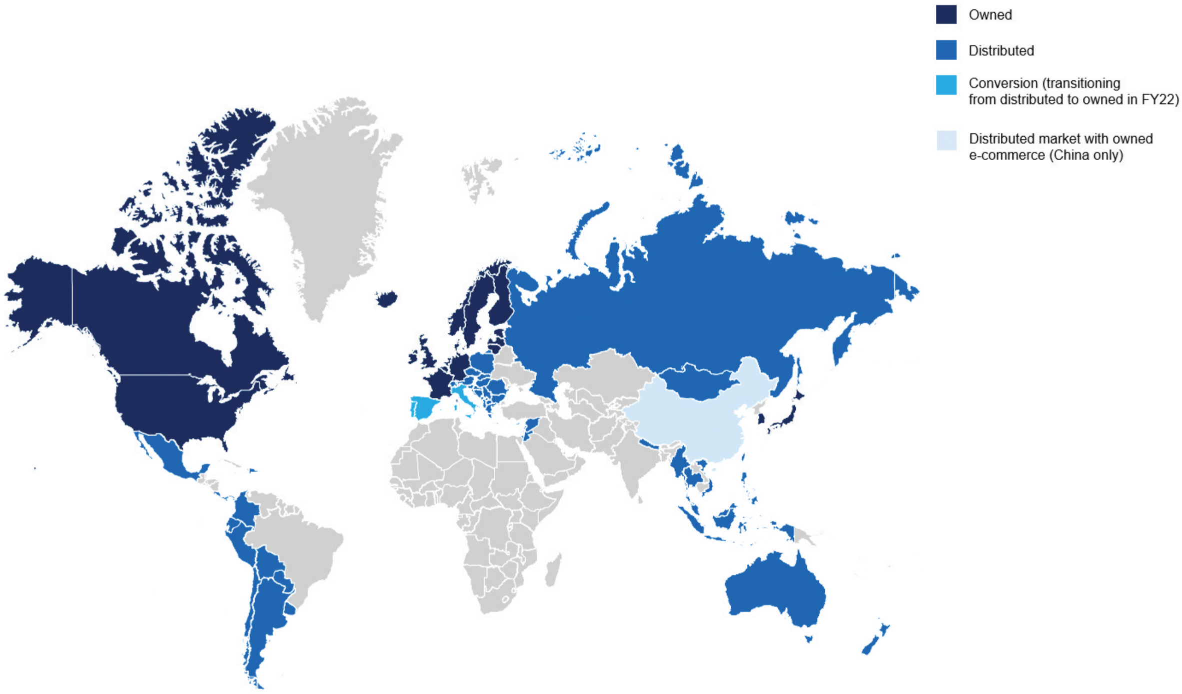
The Group's business operates a regional model from three regions: EMEA (headquartered in London), the Americas (headquartered in Portland) and APAC (headquartered in Hong Kong), with its head office in the UK. The Group operates out of several additional locations around the world in Paris, Düsseldorf, Stockholm, Los Angeles, Tokyo, Shanghai, Seoul, New York and Milan. The Group has implemented a balanced global/local structure with direction provided centrally and local leaders responsible for trading and implementation, as well as a strong cross-functional set-up with appropriate straight and dotted reporting lines to ensure adequate information flow and collaboration.

Sales channels

The Group sells and markets its products in more than 60 countries, with each geography approached through tailored distribution strategies designed to address the conditions in each local market and allow for efficiency in management.

The Group uses two main channels of distribution to sell its products: the direct-to-consumer channel, comprising e-commerce and retail, and the business-to-business channel, comprising wholesale customers, distributors and franchisees. As part of the transformation programme that began in 2014, the Group implemented a clear, integrated channel strategy, with defined channel and consumer segmentation and differentiated service levels. Its channel strategy is based on core principles that govern behaviour within and across channels, with the direct-to-consumer channel (and, in particular, e-commerce) being the highest priority channel, given the significant control it provides it over the brand. While all channels have been growing rapidly in recent years, the direct-to-consumer channel has captured a significant amount of growth, reflecting its primary role in the Group's channel strategy.

Recently, with a view to having further distribution control, the Group has converted certain of its key markets (including Germany and the Baltics/Nordics), and is currently in the process of converting Italy and Spain / Portugal, from a distributor to an owned-and-operated subsidiary basis at the end of the distributor contract term. The following figure illustrates the Group's distribution model across its markets as at the date of this Registration Document.



Direct-to-consumer

Included within the Group's direct-to-consumer channel are its e-commerce and retail channels. In the year ended 31 March 2020 and the six months ended 30 September 2020, the direct-to-consumer channel contributed £302 million and £110 million, respectively, to the Group's revenue, representing 45% and 34%, respectively, of total revenue for the same periods.

E-commerce

In line with its strategy, e-commerce has become the key focus of the Group and an area with significant untapped market opportunities. Within the e-commerce channel the Group has focused on a mobile-first strategy to drive consumer engagement with the brand and improve the overall consumer experience. E-commerce enables the Group to offer consumers access to an extended product range and provides a means to build a direct relationship with consumers and engage them with the Dr. Martens brand. It therefore serves as both a brand-reinforcing mechanism as well as a strong point-of-sale. The Group now operates its own Dr. Martens e-commerce sites in the United Kingdom, the United States, Japan, South Korea and Continental Europe (France, Germany, Italy, Spain and the Netherlands). In some countries, such as China, the Group sells through a third-party platform.

The Group's digital transformation strategy is on a journey, focused on improving e-commerce operations by improving the efficiency of the Group's search and marketing investments, conversion rate optimisation and project management optimisation. To execute on this strategy, the Group has made significant investments in its digital capabilities and digital team, including the appointment of a Chief Digital Officer, Sean O'Neill, in April 2018. From April 2018 the Group has expanded from a small team based in Portland to a 65 person team, with an 18 person team in the London based centre of excellence working with regional e-commerce teams who are empowered to build functionality which is optimised for consumer behaviour in the regional and local markets.

Digital Marketing

The Group's digital transformation is focused on maximising the efficiency of its marketing and search spend, in particular with a focus to bring in new consumers to the Group's e-commerce site. The Group has increased its cost per click demand generation marketing spend from £2 million in FY18 to £7 million in FY20 (calculated on a constant currency basis). Historically, the Group focused its marketing spend for search on high-intent keywords, such as "Dr. Martens Boots" and "1460", representing 85% of marketing spend on keywords. Starting in 2018, the Group shifted its focus to optimising non-intent keywords, such as "leather boots", "Chelsea boots" and "winter footwear" aiming to bring in new consumers searching for footwear more generally instead of those who have already expressed an intent for the Group's products. The Group has also focused on using search engine optimisation ("SEO") to maximise the effectiveness of unpaid searches. The Group uses the money it saves from SEO to invest in further targeting of new consumers to increase the total number of consumers reaching the Group's e-commerce sites.

The Group's e-commerce marking strategy has resulted in significant improvement for the Group's search page ranking and impressions from searches, with the Group's ranking for "Women's Chelsea Boots" improving from page 3 in December 2018 to page 1 in December 2019, resulting in an 18 times improvement in impressions (664 in December 2018 and 12,136 in December 2019) and the Group's ranking for "Winter Boots" improving from page 7 in December 2018 to page 1 in December 2019, resulting in a 15 times improvement in impressions (999 in December 2018 and 15,173 in December 2019). In addition, the Group's overall traffic grew at a CAGR of 69% from FY18 to FY20, increasing from 41 million in FY18 to 117 million in FY20. The Group has also increased the percentage of its traffic from mobile users as compared to desktop users (63% in FY18 to 77% in FY20) and from new consumers as compared to returning consumers (50% in FY18 to 52% in FY20).

Conversion rate optimisation

Prior to the Group's digital transformation, the Group's e-commerce sites were simple websites that used a one-sized fits all approach with a design based on US consumer preferences that were translated and exported for use in the Group's other regions. The Group's digital transformation strategy replatformed all of the Group's e-commerce sites, using modern site designs taking into consideration the unique regional and national differences of the Group's consumers. This replatforming initiative resulted in websites tailored to consumers' expectations and preferences across the Group's sales regions, with distinct sites in EMEA, the Americas (including a new Spanish language site), Japan, and South Korea. The Group saw substantial increases in sales conversion rates and metrics such as time on site, clicks on site and page views as a result of local consumers being more comfortable with the new e-commerce sites and having access to local alternative payment methods such as KakaoPay in South Korea. In particular, the Group has seen improved conversion rates in the UK of 81% for mobile users and 91% for desktop and tablet users and in Japan of 40% for mobile users and 111% for desktop and tablet users.

The Group has also focused on integrating social media and related assets into the Group's e-commerce site to create a content led journey for consumers. Site redesigns in certain regions, in particular South Korea, have aimed to present the site more as a magazine instead of a store page, with culture and social stories that feature the Group's products that then link to the store page for those products. This aims to further support and improve sales conversion rates and metrics related to time on site, clicks on site and page views.

Project management optimisation

The Group's digital transformation has focused on improving the Group's internal management of the e-commerce business. The Group's London based centre of excellence allows the regional e-commerce teams to share best practices and for the e-commerce team as a whole to coordinate effective operations throughout the Group.

The Group has invested heavily in improving the code base for its e-commerce sites, allowing for modularisation and efficient rebuilding of the Group's e-commerce sites. This has allowed the Group to create new landing pages for the Dr. Martens' main page and product pages more frequently, with site updates every two weeks. The frequent updating of the Group's e-commerce sites has allowed the Group to perform frequent A/B testing to analyse the effects of different designs on consumer behaviour, which the Group then uses to design more effective site designs. This method of frequent site updates uses techniques that are used in the tech industry and less commonly found in the retail industry and has resulted in an increase in value driving projects (337 in FY19 to 1,440 in FY20) and a reduction in projects related to software bugs (381 in FY19, representing 53.1% of overall projects, to 166 in FY20, representing 10.3% of overall projects).

The Group's digital strategy in China has been focused on its relationship with Tmall, which represented a new distribution strategy for the Group in China, moving from traditional wholesale distributors to e-commerce. The Group invested substantial time and effort in establishing a partnership with Tmall, rather than simply placing its products on the Tmall website. For example, the Group has sponsored events with Tmall, such as the "Boots Festival", a series of concerts in 16 cities in China, that both improves the Group's brand recognition in China and strengthens the Group's partnership with Tmall. As a result, the Group's e-commerce revenue in China through Tmall has grown from £0.6 million in FY18 to £5.7 million in FY19 and £20.8 million in FY20.

The Group's investments in its digital transformation have enabled the Group to rapidly increase e-commerce revenue, which grew at a CAGR of 77% in the period from 1 April 2017 to 31 March 2020. The markets in which the Group has operated the longest, such as the United Kingdom and the United States, saw the largest increase in e-commerce revenue, with more nascent markets and conversion markets seeing rapid increases as demand outpaces distribution growth. In the year ended 31 March 2020 and the six months ended 30 September 2020, the Group's e-commerce channel contributed £136 million and £75 million, respectively, to the Group's revenue, representing 20% and 24%, respectively, of total revenue for the same periods.

Retail—profitable brand beacons

The Group operates a number of branded own retail stores located mainly in strategic locations across the United Kingdom, Continental Europe, the United States, Japan, South Korea and Hong Kong. It also operates concessions in South Korea in line with regional market practice. The Group's retail strategy is focused on building profitable stores with short payback periods, targeting payback within two years, focusing on a small footprint, with relatively short-term flexible leases (including rental payments based on percentage of sales, early tenant-only break clauses and maximising landlord capital contributions) in brand appropriate locations. The Group is very sensitive to changing retail dynamics and footfall pressures in the retail markets where it operates which has resulted in a focused and deliberate, but relatively slow, opening of new stores, to ensure that all stores are profitable. As of 30 September 2020, the Group had 130 own retail stores, of which 36 are located in the UK, 30 in the United States and 22 in Japan. Looking forward, the Group intends to roll out approximately 20 – 25 stores per annum over the medium term.

Retail represents a key component of the Group's sales and marketing strategy, with own retail stores acting as brand beacons and strong venues for storytelling and consumer conversion, driving both in-store purchases and providing an opportunity for consumers to experience the product and later purchase through the Group's e-commerce channel. In its own retail stores, the Group balances storytelling and brand authenticity with improving sell-through by creating a well-designed store, supported by strong consumer-facing sales teams. In order to ensure that all retail stores are executing on storytelling and consumer conversion, as well as to achieve a globally-consistent look and feel, the Group has global standards that are adhered to by all own retail stores around the world. These include merchandising guidelines to ensure consistent presentation of critical products and retail salesforce training to drive conversion rates. The retail fleet has also adopted a labour scheduling tool to ensure staffing is optimised for busy periods. The majority of stores now include an "Icons" wall, where Dr. Martens' "Icons" are displayed, to improve time in store and engagement.

The Group has recently implemented the "Digital Doc Shop" in the EMEA region, through which consumers can order online from a tablet located in the store connected to its website in case the store is out of stock, to allow consumers to ship products home while also allowing it to offer a full assortment of products regardless of in-store inventory.

In the year ended 31 March 2020 and the six months ended 30 September 2020, the Group's retail channel contributed £165 million and £34 million, respectively, to the Group's revenue, representing 25% and 11%, respectively, of total revenue for the same periods.

<u>Business-to-business</u>

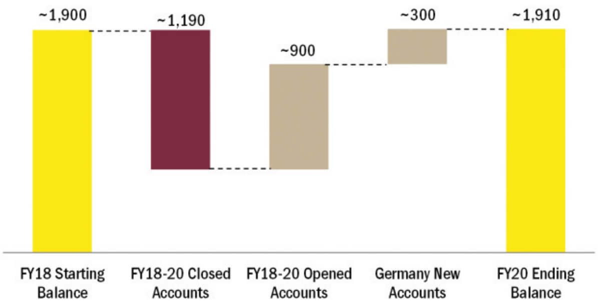
The business-to-business channel comprises multi-brand wholesale customers (sales of the Group's products to third parties who then sell the products to consumers through their own stores and websites), distributors (sales to selected parties who are generally appointed via contractual time restricted arrangements as exclusive distributors for footwear and accessories to third-party retailers in a particular region or country, and who act as the face of the Dr. Martens brand in that region or country) and mono-brand franchise stores (sales to selected parties who have exclusive rights to operate branded Dr. Martens stores in a given geographical territory), with all mono-brand stores being subject to approval by the Group. In the year ended 31 March 2020 and the six months ended 30 September 2020, the business-to-business channel contributed £371 million and £209 million, respectively, to the Group's revenue, representing 55% and 66%, respectively, of total revenue for the same periods. This difference in proportion of revenue from the business-to-business channel from the year ended 31 March 2020 compared to the six months ended 30 September 2020 is mainly the result of the seasonality of the business.

Wholesale customers

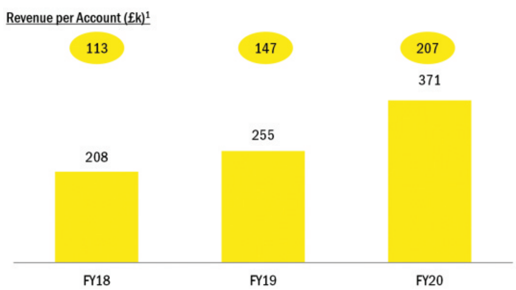
The Directors believe that wholesale customers play a significant role in increasing brand awareness and seeding influence globally, as well as allowing the Group to have broader reach to geographies / locations in which the Group does not have (or does not wish to have) its own distribution network or where geographic spread is very large (e.g. the United States). In addition, wholesale customers generally provide a first point of experience for many consumers, and often provide a benchmark against competitors and a leading indicator of consumer demand.

Historically, the Group used to service a significant number of poorly-performing and low-penetration wholesale accounts. Since the operational transformation that began in 2014, the Group's aspirations for wholesale customers changed to centre around: building the brand, by creating strategic partnerships where, for example, in certain cases the Group provides fixtures and shop-in-shops; controlling distribution, by rationalising all non-strategic partners, clearing the market of unauthorised sellers and leveraging influential wholesalers to continue to build brand equity; ensuring year-round business, by creating a consumer-focused assortment with seasonal extensions and ensuring that wholesalers take on product for all wearing occasions; and driving sustainable growth through proactive business planning and management, as well as increased focus on strategic and key accounts. Accordingly, the Group implemented a strong, segmented approach to maximise both brand building and sell-through with wholesale customers by rationalising wholesale accounts (to ensure they are focused on the core POS that will support brand growth). The following figures illustrates the evolution of the Group's wholesale customer base and revenue from FY18 to FY20.

Active wholesale accounts



Wholesale revenue (£m)



(1) Defined as (total wholesale revenue / average wholesale accounts for the year).

The Group's wholesale customers are now largely limited to strategic partners, retailers and online retailers across the EMEA, Americas and APAC regions. These include Genesco group (Journeys (US) and Schuh (UK)), Zalando (EMEA) and Beams (Japan). The Group's wholesale customers are now seen as custodians of the Dr. Martens brand, in line with the profile and positioning of the brand. Looking forward, the Group intends to continue to prioritise strategic partners who are willing to show a broader assortment, as well as create relationships with influential boutiques, "Amp Accounts", to increase brand equity and broaden appeal. The Group has a total of 950, 865 and 95 wholesale accounts in EMEA, the Americas and APAC, respectively.

Distributors and franchisees

In certain markets where the Group does not have a local operating subsidiary, it has developed its distribution network through distribution and franchise agreements with select partners. This network has historically supported the Group's geographic expansion, enabling it to enter markets that typically require local knowledge and expertise. Operationally, distributors and franchisees are similar, and the Group uses whichever model is most appropriate for the relevant market (by reference to historical market structure, maturity of the local retail sector and local legal requirements). In recent years, the Group has successfully converted certain of its key markets (including France, Germany, the Netherlands and the Baltics/Nordics) from a distributor to an owned-and-operated subsidiary basis. These conversions have allowed the Group to broaden the range of products available to consumers, increase control, marketing and presence of the brand, rationalise and manage wholesale accounts and generate higher margins.

Distributors are generally appointed as exclusive distributors for footwear (excluding industrial footwear) and accessories to third-party retailers in a particular region or country, and act as the face of the Dr. Martens brand in that region or country. As of the date of this Registration Document, the Group has in place distribution agreements with select partners in Argentina, Australia, Canada, Chile, China, Colombia, Cyprus, Dominican Republic, Eastern Europe, Greece, Indonesia, Israel, Italy, Jordan, Lebanon, Malaysia, Mexico, Mongolia, Myanmar, Nepal, New Zealand, Paraguay, Peru, Philippines, Portugal, Romania, Russia, Singapore, Spain, Taiwan, Thailand, Uruguay and Vietnam. The Group is however currently in the process of converting certain of those markets, including Italy and Spain / Portugal, from a distributor to an owned-and-operated subsidiary basis.

Franchise agreements are typically 5-year contracts and include retail development plans and associated minimum purchase obligations that increase over time. As of the date of this Registration Document, the Group had 107 franchise stores, with China and Japan being the largest franchise markets (with 69 and 32 franchise stores, respectively), followed by Australia (with five franchise stores), Canada (with three franchise stores) and Scandinavia (with one franchise store in each of Sweden, Norway and Denmark).

Global supply chain

As part of the DOCS strategy, under the Operational Excellence pillar, the Group has invested and continues to invest in building a best-in-class supply chain where it can leverage its global scale with the aim to: enable revenue growth; unlock value; enhance inventory efficiency; improve supply lead times and manage tariffs; assure and further strengthen product quality; more quickly respond to consumer and customer demands; scale operations across diverse geographies and distribution channels and adapt to changing economic and political conditions, including new trade policies. This has enabled the Group to move from it's historic, UK-centric and manufacturer-led business model to a brand-led organisation which utilises global manufacturing and supply chain as a strategic enabler.

The Group has only recently had the strategic assets (people, organisational structure, processes and systems) in place to unlock significant supply chain opportunities. The Group has utilised these strategic assets to achieve the objectives of the DOCS Operational Excellence strategy, developing a comprehensive set of supply chain strategies that focus on de-risking supply by diversifying the supply base; developing solid capabilities to plan for consumer demand and align supply chain capacity; implementing robust demand and supply processes to accurately anticipate consumer demand; establishing and maintaining strong strategic relationships with suppliers, as well as strong oversight of operations and logistics; investing in a top-talent team, including the hiring of Geert Peeters as COO in 2018, that is capable of scaling the supply chain with both a global view and a local perspective; and enhancing the Group's IT systems to support management of a bigger, more complex supply chain.

The Group spent over £300 million on products and supply chain services in FY20, including increasing the number of welted manufacturing lines. The Group works closely with its manufacturers, a process that can take up to one year for new manufacturing partners, to ensure their factories, which utilise equipment, processes and intellectual property specific to the manufacturing of the Group's products, are able to produce products that meet the Group's high standards for quality. While the implementation of certain aspects of the supply chain strategy are still ongoing, including in particular a free on board cost breakdown analysis of the cost per pair up until the point when a pair is delivered to Dr. Martens, increasing the number of granulates suppliers, optimisation of duty and tariff rules and reduction in outbound freight costs by reviewing delivery arrangements, significant efficiencies and improvements have already been realised, including reduced stock-outs through the introduction of new monthly capacity management embedded in the Group's global sales and operations planning process, as well as significantly-improved stock availability in Europe resulting in approximately £17 million of savings in FY20 (c. 2.6% of FY20 revenue). The Group's supplier diversification efforts have also begun to de-risk the supply base. As at 31 March 2020, the Group's footwear products were manufactured at 14 sites in six countries, including the United Kingdom, Vietnam, China, Thailand, Laos and Bangladesh, with production from China reduced from 46% in FY19 to 32% in FY20. For some key components and raw materials (including leather and PVC), however, the Group still relies on a limited number of suppliers, but is currently looking to increase the number of suppliers for these products with a view to de-risking supply (see "*Any adverse events influencing either the sustainability of the supply chain or the Group's relationship with any major supplier could adversely affect its business*" in Part 1 (*Risk Factors*)).

The Group's Global Supply Chain organisations, located in several offices around the globe, are responsible for taking a product from the design/development stage, through production and to the delivery of the product to the Group's customers and consumers.

Sourcing and suppliers

The Group sources nearly all of its products through independent third-party manufacturers. The Group's footwear is mainly manufactured at 13 sites in Asia, with 39% manufactured in Vietnam, 32% in China, 12% in Thailand, 12% in Laos and 4% in Bangladesh while the remaining 1% is produced at a Group-operated manufacturing site in the UK producing the Group's "Made in England" products. With an overall capacity of 11 million pairs per year, the output of these manufacturers is sent to the Group's distribution centres, directly to distributors and directly to wholesale customers. The Group's accessories are manufactured at 12 sites in seven countries, including the UK, Vietnam, China, Thailand, Portugal, Taiwan and the USA. In respect of its independent third-party manufacturers, the Group conducts assessments of political, social, economic, trade, labour and intellectual property protection conditions in the countries in which it sources its products before placing production in those countries on an ongoing basis. The Group also monitors ongoing global trade regulations to optimise its supply chain networks in response to changes in tariffs or other trade policies around the world. In FY20, the Group sourced components, consumables and other raw materials from 261 suppliers located in 17 countries around the world, including the United Kingdom, North and South Asia, the Americas and Europe. No single country accounted for more than 40% of the Group's sourcing in FY20.

Sourcing practices

The Group's sourcing practices include the following elements:

- The Group requires all third-party contractors and subcontractors that manufacture or finish products for the Group to comply with the Group's code of conduct relating to supplier working conditions as well as environmental, employment and sourcing practices.
- The Group's Supplier Code of Conduct covers employment practices such as wages and benefits, working hours, health and safety, working age and discriminatory practices, environmental matters, child labour, forced labour and modern slavery and ethical and legal conduct.
- The Group regularly assesses manufacturing facilities through periodic on-site facility inspections and improvement activities, including use of independent monitors to supplement the Group's internal staff. The Group integrates review and performance results into its sourcing decisions.

In 2019 and 2020, new contracts were put in place with all "tier-one" suppliers, the majority of whom have been supplying the Group for more than 10 years. For all key "tier-one" suppliers, the Group seeks to balance the benefits of strong partnering relationships and the need to obtain quality, service, value for money and maintenance of expected labour and environmental standards. In addition to "tier-one" suppliers, the Group has a number of direct "tier-two" suppliers for leather and PVC granulates, but generally provides a list of nominated "tier-two" suppliers for the "tier-one" suppliers to engage with. The Group shortlists its preferred "tier-two" suppliers through an audit process to ensure consistent product quality. The criteria applied includes conformity with the Group's Supplier Code of Conduct as well as adherence to compliance (including in connection with anti-corruption, anti-bribery, anti-money laundering and modern slavery laws and regulations) and product quality standards. The Group monitors this nominated "tier-two" supplier list on an ongoing basis. However, it does contract directly with suppliers for the supply of certain materials, in particular PVC granulates and leather, for its own Made in England production at Cobbs Lane. As at 31 March 2020, the Group's supply chain consisted of 261 "tier-two" suppliers located in 17 countries.

Logistics

The Group uses ten Group-operated and third-party distribution facilities to warehouse and ship products to its wholesale customers, retail stores and e-commerce consumers. Distribution centre activities include receiving finished goods from the Group's third-party manufacturers and "Made-in-England" factory, inspecting those products (including returns), and shipping them to the Group's customers and to the Group's own stores. Most of the Group's distribution centres serve all three of the Group's customer segments.

In recent years, the Group has made significant investments in its logistics infrastructure with a clear focus on supporting growth and specifically e-commerce growth. In order to increase the Group's capacity in Europe to help support expansion plans (including in France and Germany) and relieve pressure from a growth in demand on the UK distribution centre, in January 2019 the Group contracted a new third-party distribution centre in Oud Gastel, the Netherlands. This additional distribution centre in Europe will also reduce Brexit related risks. In May 2020, the Group also contracted with a third-party logistics provider to operate a second distribution centre in the United States (in New Jersey) to serve e-commerce consumers and retail stores on the east coast. The Group plans to continuously invest in its network of distribution centres and expand capacity through the network as appropriate. The Group is also exploring how investments in automation and digitisation can further improve speed to market and increase overall logistics effectiveness.

INFRASTRUCTURE BACKBONE

The Group has made, and continues to make, substantial investments to its IT infrastructure to move the IT team from a background support function to a key business enabler for the Group. These investments have allowed the Group to develop fundamental solutions to address the Group's global supply chain, warehouses, retail stores, e-commerce and finance accounting systems. The Group has recently implemented Microsoft Dynamics 365 for its enterprise resource planning solution in the Americas and EMEA and plans to implement this functionality for its APAC business beginning in early 2021 and estimates to take 18-24 months to fully implement. The Group has also invested in risk management solutions for its IT systems, including migrating its systems to the cloud, where appropriate, and establishing dedicated teams for IT functions. These steps have provided for a more efficient and effective IT team, reduced risks related to system availability and dependencies on a limited number of key personnel.

The Group's future investments are focused on creating an integrated platform to provide a global solution to, among others, the Group's retail, e-commerce and wholesale business as well as labour, payment provider and consumer purchase data. Additionally, the Group is working on enhancing its data management and client relationship management system, as well as modernising its human resources systems, all with the goal to continue to provide enterprise grade solutions to match the pace and scale of growth for Dr. Martens in the future.

Social and Environmental Sustainability

Sustainability is one of the focus areas of the DOCS strategy. The sustainability strategy is overseen by a cross-functional steering committee led by the CEO. The strategy was developed in collaboration with several external sustainability consultants following a benchmark assessment of operations and a lifecycle analysis of a number of footwear styles including Originals. The objective of the strategy is to focus on the areas where the Group can make the biggest difference by addressing its most significant impacts on the environment and society. The strategy is comprised of five pillars, each with a number of project and targets—(1) *Design Responsibly*, investing in research and innovation to adopt the mindset of circularity in the product development process; (2) *Produce Responsibly*, driving environmental initiatives in the supply chain; (3) *Sell Responsibly*, driving sustainability through design and procurement in retail; (4) *Treat People Responsibly*, committing to fair and decent working conditions throughout the Group's supply chain and owned operations; (5) *Do More for our Communities*, supporting causes which drive forward positive change and empower rebellious self-expression. Each pillar has a sponsor from the Global Leadership Team and there is a dedicated sustainability team which coordinates the cross functional activities and champions the sustainability programme. As of the date of this Registration Document, the Group is undertaking a gap and materiality analysis with the objective of further testing and refining its strategy and developing more detailed targets for the next phase of the Group's sustainability journey.

The Group requires all suppliers and subcontractors who manufacture or finish products to comply with its Supplier Code of Conduct and Workplace Standards. The Workplace Standards cover employment practices such as wages and benefits, working hours, health and safety, working age and modern slavery practices. The policies also address environmental matters such as waste disposal, chemical management and ethical and legal conduct.

The Group uses independent third-party assessment companies, as well as an internal compliance team to monitor and audit against the Supplier Code of Conduct. As of the date of this Registration Document, over 95% of the Group's tier-one suppliers have passed their corporate social responsibility audits.

Leather is the Group's most commonly used material in its products. Only tanneries with the highest standards are selected. The Group is a member of the Leather Working Group (LWG) whose aim is to raise environmental standards throughout the leather industry and the Group works with suppliers to ensure that the leather in products comes from nominated LWG certified tanneries with medal status. As of the date of this Registration Document, over 95% of the Group's leather is sourced from LWG medal rated tanneries. In addition to its leather products, the Group has recently started using 50% post-consumer recycled plastics in production of its "Airwair" heel loops, it uses more than 95% recycled paper in its standard shoe box and more than 95% of components passed chemical compliance related to restricted substances as of the date of this Registration Document.

In 2018 the Group became a signatory of the British Retail Consortium's (BRC) Better Retail Better World initiative, which is mobilising the retail industry to meet some of the biggest global challenges as highlighted by the United Nations Sustainability Goals, including modern slavery and decent work, sustainable economic growth, inequalities, climate change and responsible consumption and production. The Group contributes to this initiative by generating an annual report and by actively collaborating with other retailers to address retail industry sustainability challenges.

During the beginning of the COVID-19 pandemic, the Group accelerated its plans to establish the Dr. Martens Foundation. The Foundation was launched in 2020, and the Group contributed funds that were then distributed to causes nominated by employees to assist during the early stages of the pandemic. The Foundation will be a vehicle for driving positive change in the future and will be funded with contributions from the Group and employees.

Intellectual Property

The Group relies on intellectual property rights to protect certain aspects of its business.

The Group uses a large portfolio of valuable intellectual property rights that are either owned by or licensed to the Group. Airwair International Limited—a member of the Group—owns the rights to a number of trade marks including "AIRWAIR", the AIRWAIR ball device, the AIRWAIR script device and various trade dress features including yellow stitching, the DMS sole pattern and grooved elements, heel loops and overall footwear configurations. In addition, the Group has an exclusive, worldwide license to use various trade marks owned by the Maertens and Funck families, including the "Dr. Martens" brand and various associated trade marks. The Group also jointly owns GFM GmbH Trademarks, a German company held in equal parts by the Group and the Maertens and Funck families that holds rights in trade marks combining the "Dr. Martens" and "AIRWAIR" trade marks and some registered trade marks for style names such as Jadon. For further details see paragraph 11.1 *"Brand licensing arrangements"* of Part 10 (*Additional Information*) and "*If the Dr. Martens Trademark Licensing Agreement were to be terminated, whether for reasons within or outside of the Group's control, or if the Group is unable to protect its trade marks and other intellectual property rights, its business would be materially adversely affected."* in Part 1 (*Risk Factors*). The Group regularly opposes trade mark applications which are too similar to its intellectual property and has been successful in a large number of oppositions (or has caused applicants to withdraw prior to opposition proceedings being issued).

The Group also owns and controls accounts across a number of social media channels in order to increase its strong brand presence and effectively engage with consumers online. In addition, it has a significant web presence and maintains an extensive domain name portfolio. The Group also collaborates with third parties, including famous designers and artists, in order to diversify its product portfolio and access new consumer markets.

The Group is registered with a large number of customs authorities around the world and it further supports trading standards and customs officials with counterfeits seized at premises or at borders. The Group actively polices and asserts its intellectual property portfolio and also has processes in place to manage and mitigate the risk of infringement of third-party rights, both in relation to the design process and product names used and developed by the Group.

Insurance

The Group maintains insurance policies across its countries of operation covering a range of risks related to its business, including, but not limited to, public and product liability, carriage of goods, property damage, business interruption, cyber risk, director and officer cover and certain customary insurance policies as required by local laws. The Group engages an insurance broker to advise on the necessary types and levels of coverage and reviews its coverage with its broker periodically. The Group maintains the types and amounts of insurance coverage that the Directors believe are consistent with customary industry practices in the countries in which the Group operates.

Regulatory Matters

The Group is subject to the laws and regulations of the jurisdictions in which it operates covering a wide variety of areas affecting general consumer protection and product safety, including health and safety, environmental, product quality and safety, competition, data protection and privacy, export and import controls, anti-corruption legislation, trade sanctions and labour laws. Generally, each region is primarily responsible for compliance with various local regulatory regimes applicable within its jurisdiction and there are regional lawyers in place to support. The Group also has a central legal team that is primarily responsible for overseeing compliance with laws and regulations at Group-level, as well as supporting the regional teams across jurisdictions vis-à-vis compliance with the regulatory regimes. While the Group does not operate in a heavily-regulated industry, the legal team is well-staffed and engaged to deal with risks as they arise. It is led by the General Counsel, Emily Reichwald, and comprises regional lawyers supporting each region, a compliance team and an intellectual property team. The General Counsel in turn provides regular updates to the Board.

Properties

The Group's global headquarters are located at its Camden office in London under a lease agreement that expires on 20 November 2026, unless terminated earlier. The Group operates its own retail stores via arm's length leasehold arrangements (apart from two stores that are freehold) and also leases certain warehouses and offices. Individual store leases vary as to their terms, rental provisions and expiry dates. Other than the lease pertaining to the Group's distribution centre in Warth Park, which expires in 2034 with a break option in 2029, and the lease of the Group's retail store in Paris Les Halles, which expires in 2028 with a break option in 2022, the majority of the Group's leases are operated on a short leasehold basis, typically 10 years or less. As at 31 March 2020, the average lease term remaining across all property related leases to end of terms was 4.7 years, and only 3.3 years to tenant only break. The annual rent commitment was £21.4 million and undiscounted total lease commitment was £100.5 million, reducing to £70.0 million to lease break.

In the year ended 31 March 2020 and the six months ended 30 September 2020, the Group added a net of thirteen and eight new own retail stores, respectively, and reduced its concessions by two and one, respectively, giving a total of 130 own retail stores and 51 concessions as at 30 September 2020.

Organisational Structure

The Group has implemented a balanced global/local structure with strategic direction provided centrally by the key global functions while local leaders are responsible for trading and implementation in their region. The Group operates a regional model from the EMEA, Americas and APAC regions and each region has its own leadership team responsible for day-to-day managing and trading and also with profit and loss responsibility for their region. The Group also operates a strong cross-functional set-up: each function has its own leadership team and there are appropriate straight and dotted reporting lines to ensure adequate information flow and collaboration.

Culture and Employees

The Group's culture is rooted in an ethos of "doing the right thing" that goes back to the origins of the brand as a family business and continues to this day to guide the Group's approach to decision-making.

Culture-first

The Group is committed to cultivating an environment for its people to feel engaged, empowered and equipped to be their best. "Our Brand On the Record" provides a framework to define "what we stand for, how we behave and what we believe in". It outlines the guiding principles of the Group (the "Fundamentals" and the "Stuff That Sets Us Apart"), including integrity, professionalism and passion, which are manifested in the ways the Group's people experience their life at work.

As part of its "Culture-First" approach, the Group supports the mental, social, physical, and financial wellbeing of its people. As part of its ongoing commitment to mental health and wellbeing, in 2019 the Group signed the "Time to Change Employer Pledge" in the United Kingdom, a commitment to changing the way mental health is viewed in the workplace by supporting employers to create a more open and understanding culture around mental health problems. The Group trained its people in Mental Health First Aid to help create a more open, understanding, and supportive culture around mental health challenges in the workplace. Other initiatives include an Employee Assistance Program, a free and confidential advice service, an annual volunteering allowance, a discount scheme, and regular educational events around mental wellbeing, diversity and inclusion, and personal and professional development.

With the help of annual Engagement Surveys and quarterly listening groups with the non-executive directors, the Group creates a picture of how its people engage with the brand, its culture, and the employee experience it provides. The most recent results from a "Pulse Survey" in May 2020 showed an overwhelming sense of togetherness and positivity around how the COVID-19 crisis had been handled by management, with the vast majority of employees feeling that they were kept well informed about what is happening at work, feeling positive about work, and feeling that they had access to the tools they need to do their job well.

In 2019, the Group was awarded "Best Place to Work Award" by Drapers, "Business Culture Achievement Award (Medium Business) at the Business Culture Awards and the "Employee Engagement and Experience Award" at the HR Distinction Awards, demonstrating the Group's genuine and meaningful emphasis placed on culture and engagement.

Develop talent

The Group places an emphasis on building opportunities and skills for people to learn and grow. To continue to drive employee performance and engagement, the Group has implemented a programme called "My Record", a global framework for employee performance and development, which harnesses the power of conversation between a manager and an employee. It has also implemented a two-day leadership programme, called "Leading the DM Way", during which the Group's senior management receive formal training and coaching to elevate leadership capability and deliver exceptional performance.

As of 30 September 2020, the Group employed 2,263 full- and part-time employees across its markets, and expects its headcount to continue to increase to support its growth.

The following tables detail the full-time equivalent (calculated by dividing the employees contracted hours by the Group's standard full time contract hours) ("FTE") and average monthly number of employees (including directors) employed by the Group during the periods indicated by location.

Employees (FTE) by location

	Year-ended 31 March			Six-months ended 30 September
	2018	2019	2020	2020
EMEA	474	513	607	650
Americas	290	328	397	398
APAC	173	259	268	333
Global support functions	237	277	334	339
Total	**1,174**	**1,377**	**1,606**	**1,720**

Employees (average) by location

	Year-ended 31 March			Six-months ended 30 September
	2018	2019	2020	2020
EMEA	781	859	1,032	1,047
Americas	362	440	548	526
APAC	203	288	371	367
Global support functions	240	283	337	323
Total	**1,586**	**1,870**	**2,288**	**2,263**

The Group has collective bargaining agreements in place in France, Belgium, the Netherlands and Italy, which set out minimum practices covering employment-related areas such as remuneration and notice periods. The Group has recently incorporated a subsidiary in Spain and the Group will be subject to a collective bargaining agreement in Spain when it hires employees through that entity. There are no collective bargaining agreements in place in the UK, Ireland, Germany, Sweden, Norway or Denmark. In all cases the Group reviews the requirements of the collective bargaining agreements regularly to ensure ongoing compliance.

To date, other than the temporary closure of all of the Group's retail stores in EMEA, America and Japan due to restrictions imposed as a result of the COVID-19 pandemic, the Group has not experienced a labour-related work stoppage.

The Group provides retirement benefits to certain of its current and former employees through a number of pension arrangements, including two defined benefit pensions plans (i) in the UK, which closed to new members on 6 April 2002 and closed to future accrual with effect from 31 January 2006 and (ii) in Korea through the National Pension Service. For more detail, see paragraph 8 (*Pensions*) and paragraph 6.4 (*Directors' and Senior Managers' Remuneration*) of Part 10 (*Additional Information*).

PART 6

Directors, Senior Managers and Corporate Governance

Directors

The following table lists the names, positions and ages of the Directors.

Name	Age	Position
Paul Mason	60	Chair
Kenny Wilson	54	Chief Executive Officer
Jon Mortimore	53	Chief Financial Officer
Lynne Weedall	53	Senior Independent Non-Executive Director
Tara Alhadeff	39	Non-Executive Director
Ije Nwokorie	50	Independent Non-Executive Director
Robyn Perriss	47	Independent Non-Executive Director
Ian Rogers	47	Independent Non-Executive Director

Paul Mason ***(Chair)***

Paul was appointed as chair of the Board in September 2015. He has extensive experience in retail and consumer brand businesses, having chaired six consumer businesses over the past 12 years.

Paul has had a career spanning many different international brands and retail formats including Cath Kidston and Tommee Tippee. Prior to joining the Group, Paul was the chief executive officer of Somerfield PLC. In this role he led the successful re-engineering of the business and sold the company to Co-op in 2009. He also held positions as European president of Levi Strauss, chief executive officer of Matalan PLC and chief operating officer and chief executive officer of Asda following its acquisition by Walmart.

Paul has a Bachelor of Arts from the University of Manchester.

Kenny Wilson ***(Chief Executive Officer)***

Kenny Wilson was appointed Chief Executive Officer of Dr. Martens in July 2018. He has 30 years of experience in building and growing global consumer brands.

Kenny spent 19 years at Levi Strauss & Co where he was a key player in expanding the Levi's brand across the European region, as president, Levi's brand EMEA and senior vice president, commercial operations. Prior to joining the Group, Kenny was chief executive officer at Cath Kidston for 7 years. Before that he was president, Europe for Claire's Accessories, where he doubled profitability in two years and led a team that delivered impressive expansion across Europe.

Kenny has a Master of Arts (Hons) in English from Aberdeen University.

Jon Mortimore ***(Chief Financial Officer)***

Jon Mortimore was appointed Chief Financial Officer of the Group in April 2016. He is an experienced CFO with over 30 years of experience.

Prior to joining the Group, Jon was the chief financial officer of Avant Homes, which was successfully sold to a consortium of funds in 2015. Before that he was the chief financial officer of Travelodge and was the finance director for both WHSmith Retail and Hodder Headline.

Jon has a Bachelor of Science from the University of East Anglia and is a Chartered Accountant.

Lynne Weedall ***(Senior Independent Non-Executive Director)***

Lynne Weedall was appointed as the senior independent non-executive director of the Board in January 2021.

Over 30 years, Lynne has led and advised boards and their teams on large, complex transformations from numerous executive and board non-executive roles in a wide variety of sectors and ownership models including FTSE 100, family owned, joint venture and founder led.

Most notably she held the position of group human resource and strategy director for Carphone Warehouse plc as part of the leadership team that demerged Talk Talk plc, created a joint venture with Best Buy Inc. and relisted Carphone Warehouse following the joint venture exit. She then went on to become group human resource director of the merged business, Dixons Carphone plc, as well as overseeing the merger integration.

Most recently she was Group human resource director for Selfridges Group where she advised on Selfridges Group people strategy. Prior to these roles, Lynne held senior human resource and line management roles at Whitbread plc, BUPA and Tesco plc.

She was appointed to the board of Greene King plc in 2012 as non-executive director and remuneration committee chair and remains an advisor to the new owners, CK Assets, post the sale in 2019. Alongside this, she now has a portfolio of non-executive roles including senior independent director at Treatt plc (an international natural extracts and ingredients manufacturer) and remuneration committee chair at both William Hill plc and Stagecoach plc. She is also a director of TruePoint, an international consultancy firm specialising inbridging the gap between purpose, strategy and execution.

Tara Alhadeff ***(Non-Executive Director)***

Tara Alhadeff was appointed to the Board in May 2015. Tara joined Permira in 2008 and is a partner. At Permira she is responsible for brand investing and has extensive experience in the consumer sector.

Tara is a member of the board of directors of Hana Group and Golden Goose and has experience as a member of the boards of several other companies including Iglo Group. Prior to joining Permira, Tara worked in investment banking at Morgan Stanley in New York and London.

Tara has a Bachelor of Science in Economics from Cambridge University and a Master of Business Administration from Harvard.

Ije Nwokorie ***(Independent Non-Executive Director)***

Ije Nwokorie was appointed to the Board as an independent non-executive director in January 2021.

Ije has built a career balancing technology, creativity and leadership built on his experience of growing up in Nigeria, a world where commerce, culture and creativity are necessarily intertwined with everyday life. Ije has been the senior director for retail marketing EMEIA for Apple from January 2018. Prior to that, he spent 11 years at the global brand consultancy Wolff Olins, where he was chief executive officer of the group's offices in London, Dubai, New York and San Francisco and helped some of the world's most exciting businesses from eBay to EE build their brands for the digital age. He is also a board member of Charity Water and will become the Chair of Trustees for Chineke!, the first professional orchestra in Europe to be made up of majority black, Asian and ethnic minority musicians.

Ije has a master's degree in architecture from Columbia University. He has been named one of the UK's 50 most creative leaders by Creative Review, by GQ as one of the UK's most connected men and by the Powerlist as one of the 100 most influential people of African or African Caribbean heritage in the United Kingdom.

Robyn Perriss ***(Independent Non-Executive Director)***

Robyn Perriss was appointed to the Board as an independent non-executive director in January 2021.

Robyn has significant experience in both the technology and media industries, having served as finance director at Rightmove plc, the UK's largest property portal and a FTSE 100 business until June 2020. She has first-hand experience of high growth through digital disruption, whilst driving improvements in governance and strategic oversight by building capability within organisations.

Robyn previously held senior roles at Rightmove including as financial controller and company secretary. Before joining Rightmove, Robyn was group financial controller at Auto Trader.

Robyn joined Softcat plc, a leading provider of IT infrastructure to the corporate and public sectors, as an independent non-executive director and audit committee chair in July 2019. She has recently embarked on a portfolio career and joined the board of Next 15 Communications Group plc, as an independent non-executive director in November 2020 and will assume the role of audit committee chair in February 2021.

She qualified as a Chartered Accountant in South Africa with KPMG and worked in both audit and transaction services. Robyn has a Bachelor of Commerce (Honours in Accounting) from the University of Kwa-Zulu Natal, South Africa.

Ian Rogers ***(Independent Non-Executive Director)***

Ian Rogers was appointed to the Board as an independent non-executive director in January 2021.

Ian is the chief experience officer at Ledger, overseeing their consumer-facing offer protecting digital assets under management. Prior to that, Ian was the chief digital officer at LVMH for five transformative years, working with a portfolio of nearly one hundred brands across fashion and leather goods, perfumes and cosmetics, wines and spirits, selective retail and hospitality, including Louis Vuitton, Dior, Sephora and Hennessy.

Ian spent twenty years bringing digital music to the mainstream, first with Winamp (as webmaster, sold to AOL in 1999), then Mediacode (as president and chief technology officer, sold to Yahoo! in 2003) and at Beats Music (as chief executive officer, sold to Apple in 2014). Ian contributed to the 2015 launch of Apple Music including Beats 1, their digital streaming channel. Ian built some of the earliest music-related websites in the early 90s and started working with the Beastie Boys in 1993, a relationship which continues to today.

Ian has a Bachelor of Arts in Computer Science (with honours, Phi Beta Kappa) from Indiana University.

Senior Managers

The Company's Senior Managers, including the Executive Directors listed above, are the Group's Global Leadership Team as follows (the "Global Leadership Team" or the "Senior Managers"):

Name	Age	Position
Kenny Wilson	54	Chief Executive Officer
Jon Mortimore	53	Chief Financial Officer
Darren Campbell	50	Chief Product & Marketing Officer
Derek Chan	47	APAC President
Ronald Garricks	51	Chief Information Officer
Leslie Lane	53	Americas President
Lorenzo Moretti	50	EMEA President
Sean O'Neill	43	Chief Digital Officer
Geert Peeters	54	Chief Operating Officer
Emily Reichwald	45	General Counsel
Helen Verwoert	47	Chief Human Resource Officer
Erik Zambon	42	Strategy Director

Kenny Wilson ***(Chief Executive Officer)***

See "—*Directors*" for Kenny's biography.

Jon Mortimore ***(Chief Financial Officer)***

See "—*Directors*" for Jon's biography.

Darren Campbell (*Chief Product & Marketing Officer*)

Darren Campbell was appointed Chief Product & Marketing Officer of the Group in April 2018, having previously been in the role of Vice President, Product and Marketing for four and a half years.

Prior to joining the Group, Darren was European Footwear Director at Asics Corporation based in Amsterdam. Before that, he was Global Product Director at Lacoste Chasseurs and has also held several senior commercial leaderships roles within Nike UK culminating in a 20-year industry career.

Darren has a Certificate of Business from Loughborough University.

Derek Chan (*APAC President*)

Derek Chan was appointed President, Asia Pacific in September 2019.

Prior to joining the Group, Derek was Vice President, Softlines & Media at Amazon China. Before that, he was Vice President, Territory at Nike China and before that he held various general management positions at Levi Strauss & Co.

Derek has a Master of Business Administration from Hong Kong University of Science & Technology.

Ronald Garricks (*Chief Information Officer*)

Ronald Garricks was appointed Chief Information Officer of the Group in April 2020. He has worked at the Group for one and a half years with eight months as Chief Information Officer and eight additional months in an Interim capacity.

Prior to joining the Group, Ronald held various senior consultancy positions at IKEA. Before that, he was Interim Global IT Head of Business Solutions at Allen and Overy, Interim Programme Director and Co-Chief Information Officer at Greenergy, and Interim Transformation Director and Data Officer at Worldpay.

Ronald has an Executive Master of Business Administration from Cass Business School, London and Bachelor of Science (Hons) in Information Systems from University of West London.

Leslie Lane (*Americas President*)

Leslie was appointed President Americas Region of the Group in January 2017. He has worked at the Group for almost five years.

Prior to joining the Group, Leslie was chief executive officer at Dakine Inc. Before that, he was an operating partner at Altamont Capital Partners and vice president/general manager at Nike Inc.

Leslie has a bachelor's degree from Oxford University and a Master of Business Administration from Harvard University.

Lorenzo Moretti (*EMEA President*)

Lorenzo Moretti was appointed EMEA President of the Group in March 2020.

Prior to joining the Group, Lorenzo was CEO at footwear retailer Office. Before that, he was Vice President of Global Retail at Sonos. Prior to joining Sonos, Lorenzo spent five years at Nike, first as Vice President, Direct to Consumer Europe and then as Vice President of Global Football, Western Europe.

Lorenzo has completed the INSEAD Business School Advanced Management Programme.

Sean O'Neill (*Chief Digital Officer*)

Sean O'Neill was appointed Chief Digital Officer of the Group in April 2018.

Prior to joining the Group, Sean was Global Chief Operating Officer at Sun Capital. Before that, he was Commercial & Strategy Director at AllSaints and Head of Strategy at Burberry.

Sean has a Bachelor of Science in Business Administration from Boston University.

Geert Peeters (*Chief Operating Officer*)

Geert Peeters was appointed Chief Operating Officer of the Group in June 2018.

Prior to joining the Group, Geert was Chief Operating Officer at Cath Kidston Ltd. Before that, he was senior vice president Global Supply Chain at Levi Strauss & Co and before that worked in several Supply Chain roles at Levi Strauss & CO, Bacardi Ltd and VF Corp. Geert has also been a director of Gimv NV and Vlaamse Participatiemaatschappij (VPM) NV since 2016.

Geert has a Master of Science in Textile Engineering from Ghent University, an Executive Master of Business Administration from Flanders Business School and a master's degree in Operations and Supply Chain Management from Vlerick Business School.

Emily Reichwald (*General Counsel*)

Emily Reichwald was appointed General Counsel of the Group in April 2015.

Prior to joining the Group, Emily was Director Legal at Akzo Nobel specialty chemicals. Before that she held a number of legal positions at Akzo Nobel N.V. and ICI plc as well as being seconded to GE Capital and BP plc whilst in private practice at Linklaters. She was a non-executive director of National Energy Action from 2015 to 2018. Emily trained at Linklaters and practised as a solicitor in the corporate department.

Emily has a degree in English Law and French law from the University of Manchester and Université de Bourgogne. She is a qualified Solicitor.

Helen Verwoert (*Chief Human Resource Officer*)

Helen Verwoert was appointed Global Human Resource Director of the Group in March 2013. She was then made Chief Human Resource Officer in 2020.

Prior to joining the Group, Helen was HR Director (UK/Ireland) at Fossil Group. Before that, she held positions at Wells and Young Brewing Company as Senior HR Manager. Prior to this she spent 14 years at Waitrose in various roles within retail and latterly HR.

After studying a BTEC in Business and Finance Helen joined Waitrose on their Management Training Scheme. In her late 20's she studied for her CIPD (Chartered Institute of Personnel and Development), and then two years later became a Fellow (FCIPD).

Helen Verwoert has notified the company that she will be leaving the business once a new Chief Human Resource Officer has been identified.

Erik Zambon (*Strategy Director*)

Erik was appointed Strategy Director of the Group in April 2017.

Prior to joining the Group, Erik was Head of Merchandising at Joseph. Before that, he was Head of Global Retail Merchandising at AllSaints and previously held a number of roles in Planning and Merchandising at Calvin Klein. Erik started his career in management consulting, first at PwC and later at Kurt Salmon Associates where he worked on a number of international growth and profitability assignments.

Erik has a Master of Arts (Hons) in Modern & Medieval Languages & Management Studies from Cambridge University.

Corporate governance

As an unlisted private company, the Company is not subject to the UK Corporate Governance Code (the "Governance Code"). However, the Board is committed to high standards of corporate governance and, as such, has established an audit and risk committee, a nomination committee and a remuneration committee. If the need should arise, the Board may set up additional committees as appropriate.

Audit and risk committee

The audit and risk committee's role is to assist the Board with the discharge of its responsibilities in relation to financial reporting, including reviewing the Group's annual and half year financial statements and accounting policies, internal and external audits and controls, reviewing and monitoring the scope of the annual audit and the extent of the non-audit work undertaken by external auditors, advising on the appointment of external auditors and reviewing the effectiveness of the internal audit, internal controls, whistleblowing and fraud systems in place within the Group. The audit and risk committee will meet as often as it deems necessary but at least three times a year. The audit and risk committee will be comprised of independent non-executive directors. A non-executive director who is not independent but who has recent and relevant financial experience may be appointed as a member of the committee if the Board considers it desirable in the interests of the Shareholders as a whole.

The audit and risk committee is chaired by Robyn Perriss and its other members are Ije Nwokorie and Lynne Weedall.

Nomination committee

The nomination committee assists the Board in reviewing the structure, size and composition of the Board. It is also responsible for reviewing succession plans for the Company's directors, including the Chair and the Chief Executive Officer and other senior executives. The nomination committee will meet as often as it deems necessary but at least three times a year.

The nomination committee is chaired by Lynne Weedall and its other members are Paul Mason, Tara Alhadeff, Ije Nwokorie, Robyn Perriss and Ian Rogers.

Remuneration committee

The remuneration committee develops the Group's policy on executive remuneration (including bonuses, incentive payments and pension arrangements), determines the levels of remuneration for the Chair, the Executive Directors, the Company Secretary, the Global Leadership Team and other senior employees of the

Group and prepares an annual remuneration report for approval by the Shareholders at the annual general meeting. The Remuneration Committee will meet as often as it deems necessary but at least three times a year.

The remuneration committee is chaired by Lynne Weedall and its other members are Robyn Perriss and Ian Rogers.

Conflicts of interest

Tara Alhadeff was appointed by and represents the Principal Shareholder. Amongst other things, the Principal Shareholder or its associates may from time to time acquire and hold interests in businesses that compete directly or indirectly with the Group, or with which the Group conducts business. Each of the Directors has a statutory duty under the Act to avoid conflicts of interest with the Company and to disclose the nature and extent of any such interest to the Board. Under the Articles, and as permitted by the Act, the Board may authorise any matter which would otherwise involve a Director breaching this duty to avoid conflicts of interest and may attach to any such authorisation such conditions and/or restrictions as the Board deem appropriate (including in respect of the receipt of information or restrictions on participation at certain Board meetings), in accordance with the Articles.

Save as set out in the paragraph above, there are no potential conflicts of interest between any duties owed by the Directors or Senior Managers to the Company and their private interests or other duties.

PART 7

Selected Financial Information

The tables below set out the Group's selected financial information for the periods indicated, as reported in accordance with IFRS, which have been extracted without material adjustment from the historical financial information set out in Section B of Part 9 (*Historical Financial Information*).

Consolidated statement of comprehensive income

	Year ended 31 March			Six months ended 30 September	
			(£m)		
	2018	2019	2020	2019	2020
				(unaudited)	
Revenue	**348.6**	**454.4**	**672.2**	**268.7**	**318.2**
Cost of sales	(162.6)	(193.8)	(270.7)	(113.5)	(131.9)
Gross profit	**186.0**	**260.6**	**401.5**	**155.2**	**186.3**
Selling and administrative expenses	(145.8)	(192.6)	(259.0)	(107.8)	(121.5)
Operating profit	**40.2**	**68.0**	**142.5**	**47.4**	**64.8**
EBITDA	**50.0**	**85.0**	**184.5**	**66.6**	**86.3**
Exceptional items	(1.8)	(5.2)	(12.0)	(3.7)	(3.0)
EBITDA (post-exceptional items)	**48.2**	**79.8**	**172.5**	**62.9**	**83.3**
Depreciation, amortisation and forex gains/(losses)	(8.0)	(11.8)	(30.0)	(15.5)	(18.5)
Operating profit	**40.2**	**68.0**	**142.5**	**47.4**	**64.8**
Finance expense	(39.5)	(39.1)	(41.5)	(21.2)	(22.9)
Profit before income tax	**0.7**	**28.9**	**101.0**	**26.2**	**41.9**
Income tax expense	(6.4)	(11.7)	(26.2)	(8.9)	(12.4)
Profit/(loss) for the period/year attributable to the owners of the parent	**(5.7)**	**17.2**	**74.8**	**17.3**	**29.5**
Reconciliation of EBITDA to EBITDA presented on an IAS 17 basis:					
EBITDA	**50.0**	**85.0**	**184.5**	**66.6**	**86.3**
Expenses under IAS 17(1)	—	—	(20.1)	(9.5)	(11.5)
EBITDA presented on an IAS 17 basis	**50.0**	**85.0**	**164.4**	**57.1**	**74.8**

(1) Represents lease expense that would have been incurred if IAS 17 had applied to the periods to 30 September 2020 and 30 September 2019 (*unaudited*), and the year ended 31 March 2020.

Consolidated statement of financial position

	As at 31 March (£m) 2018	2019	2020	As at 30 September 2020
Non-current assets				
Intangible assets	248.5	251.8	257.2	259.8
Property, plant and equipment	23.6	26.9	32.7	31.4
Right-of-use assets	—	—	82.0	79.6
Deferred tax assets	4.4	6.0	7.4	7.4
	276.5	**284.7**	**379.3**	**378.2**
Current assets				
Inventories	39.8	53.9	90.0	128.0
Trade and other receivables	43.1	53.1	68.2	92.8
Income tax assets	—	—	0.3	0.8
Derivatives and financial assets	—	0.1	1.5	—
Restricted cash	—	—	—	4.2
Cash and cash equivalents	86.4	58.4	117.2	146.8
	169.3	**165.5**	**277.2**	**372.6**
Total assets	**445.8**	**450.2**	**656.5**	**750.8**
Current liabilities				
Trade and other payables	(45.9)	(53.2)	(88.9)	(141.8)
Borrowings—Bank	(4.1)	(3.2)	(20.0)	(20.0)
—Lease liabilities	—	—	(21.8)	(19.5)
Provisions	—	(1.5)	—	(0.8)
Derivatives and financial liabilities	(0.1)	—	—	(0.2)
Income tax payable	(5.5)	(6.6)	—	(1.2)
	(55.6)	**(64.5)**	**(130.7)**	**(183.5)**
Non-current liabilities				
Trade and other payables	(2.9)	(5.7)	—	—
Borrowings—Bank	(72.6)	(71.1)	(74.3)	(65.9)
—Redeemable preference shares	(343.4)	(316.4)	(312.9)	(330.1)
—Lease liabilities	—	—	(66.6)	(69.3)
Provisions	(0.7)	(0.9)	(1.5)	(1.6)
	(419.6)	**(394.1)**	**(455.3)**	**(466.9)**
Total liabilities	**(475.2)**	**(458.6)**	**(586.0)**	**(650.4)**
Net assets/(liabilities)	**(29.4)**	**(8.4)**	**70.5**	**100.4**
Equity attributable to owners of the parent				
Share capital	—	—	—	—
Share premium reserve	10.0	—	—	—
Hedging reserve	(0.1)	0.1	1.5	(0.2)
Capital reserve—own shares	—	—	—	(0.6)
Capital redemption reserve	—	(186.0)	(165.8)	(165.8)
Foreign currency translation reserve	4.3	7.4	10.1	8.0
Retained earnings	(43.6)	170.1	224.7	259.0
Total equity	**(29.4)**	**(8.4)**	**70.5**	**100.4**

Consolidated statement of cash flows

	Year ended 31 March		(£m)	Six months ended 30 September	
	2018	2019	2020	2019	2020
				(unaudited)	
Cash flows from/(used in) operating activities	46.0	56.0	121.4	(3.3)	65.4
Cash used in investing activities	(16.4)	(17.1)	(21.9)	(9.4)	(11.6)
Cash flows used in financing activities	(9.3)	(69.3)	(44.0)	(35.2)	**(22.3)**
Net (decrease) / increase in cash and cash equivalents	20.3	(30.4)	55.5	(47.9)	31.5
Cash and cash equivalents at beginning of year	67.2	86.4	58.4	58.4	**117.2**
Effect of exchange on cash held	(1.1)	2.4	3.3	1.9	(1.9)
Cash and cash equivalents at end of year	**86.4**	**58.4**	**117.2**	**12.4**	**146.8**
EBITDA	50.0	85.0	184.5	66.6	86.3
Change in net working capital	10.3	(12.9)	(21.0)	(46.7)	(8.9)
Capital expenditure	(16.4)	(17.1)	(21.9)	(9.4)	(8.2)
Operating cash flow	**43.9**	**55.0**	**141.6**	**10.5**	**69.2**
Exceptional items	(1.8)	(4.7)	(8.0)	(3.7)	(1.3)
Pension contribution in excess of charge	(0.4)	—	—	—	—
Net interest paid	(5.3)	(5.2)	(5.4)	(1.6)	(4.9)
Payment of lease liabilities	—	—	(20.4)	(9.5)	(10.7)
Taxation	(5.5)	(12.1)	(34.5)	(19.5)	(10.7)
Net cash foreign exchange[(1)]	(7.7)	3.1	3.7	1.9	(1.9)
Free cash flow	**23.2**	**36.1**	**77.0**	**(21.9)**	**39.7**
Preference share redemption	—	(60.0)	(35.0)	(35.0)	—
Facilities drawn down	—	10.0	20.0	11.7	9.3
Repayment of amounts drawn down in relation to the above	—	(10.0)	—	—	(9.3)
Bank borrowings repayments	(4.0)	(4.1)	(3.2)	(0.8)	(6.7)
Other loans made	—	—	—	—	(3.4)
Net cash flow	19.2	(28.0)	58.8	(46.0)	29.6
Opening cash	67.2	86.4	58.4	58.4	117.2
Closing cash	**86.4**	**58.4**	**117.2**	**12.3**	**146.8**

(1) Including £1.9 million loss for the period ended 30 September 2020 (Sep 19: £1.9 million gain; Mar 20: £3.3 million gain; Mar 19: £2.4 million gain; Mar 18: £1.1 million loss) relating to cash and the balance mainly relating to working capital.

PART 8

Operating and Financial Review

This Part 8 (Operating and Financial Review) should be read in conjunction with Part 2 (Presentation of Financial and Other Information), Part 4 (Industry Overview), Part 5 (Business Description) and Part 9 (Historical Financial Information). The financial information considered in this Part 8 (Operating and Financial Review) is extracted from the financial information set out in Part 9 (Historical Financial Information).

The following discussion of the Company's results of operations and financial condition contains forward-looking statements. The Company's actual results could differ materially from those that it discusses in these forward-looking statements. Factors that could cause or contribute to such differences include those discussed below and elsewhere in this Registration Document, particularly under Part 1 (Risk Factors) and Part 2 (Presentation of Financial and Other Information). In addition, certain industry issues also affect the Company's results of operations and are described in Part 4 (Industry Overview).

Overview

Dr. Martens is an iconic global brand and one of the most recognised footwear brands in the world, selling in excess of 11 million pairs of footwear annually in more than 60 countries with revenue of £672 million in the year ended 31 March 2020. The Company "perfectly" invented and launched its first boot in 1960, the eight-holed 1460 Dr. Martens boot, with a yellow welt stitch, grooved sole and black and yellow heel loop, which remains largely unchanged today. The unique DNA of the 1460 is defined and preserved in the Originals product category, which sits at the core of the product strategy and informs the aesthetics for all other footwear categories. Dr. Martens started out as a humble work boot but was quickly adopted by youth cultures as a symbol of their individual self-expression and rebellious spirit. Six decades on, wearers continue to adopt the brand to express their unique style and alternative spirit but do so through a modern lens. Today, consumers continue to be attracted by Dr. Martens' unique DNA and uncompromising quality.

Dr. Martens' management team believes that a direct-to-consumer (retail and e-commerce) channel strategy is crucial for enabling the brand and business to reach their full potential in scale, in a sustainable way. A direct-to-consumer channel strategy allows for more direct touchpoints with consumers, better showcase of the footwear and the brand, access to more data and more controlled and strategic management of the brand. The Group's e-commerce channel, which serves as both a brand-reinforcing mechanism as well as an important point-of-sale, has proven to be one of the key elements of the Group's substantial growth in recent years, and is expected to continue to be the principal driver of growth over the coming years. In addition to its rapidly growing e-commerce business, the Group sells its footwear through more than 130 own retail stores which act as profitable and important consumer touchpoints, as well as concessions and through a business-to-business channel encompassing a high-quality network of strategic wholesale customers, distributors and franchisees. In the twelve months ended 31 March 2020 and the six months ended 30 September 2020, the Group's direct-to-consumer channel contributed 45% and 34%, respectively, of the Group's revenue (comprising both e-commerce (20% and 24%) and retail (25% and 11%)), while the business-to-business channel contributed 55% and 66%, respectively, of revenue.

The Group now operates across three geographic regions that comprise the Group's three reporting segments: EMEA, Americas and APAC. In the twelve months ended 31 March 2020, EMEA contributed 43% of the Group's revenue, Americas 37% and APAC 20%. The Group has a strategic footwear portfolio comprised of the Originals, Fusion, Kids and Casual categories and a complementary range of Accessories.

Preserving its reputation for high standards is paramount for the Group. The Group's culture is rooted in an approach of "doing the right thing", which goes back to the origins of the brand as a family business and continues to this day to guide its approach to decision-making. The Group's management and employees strive to be custodians of the Dr. Martens brand. The Group has also developed a highly-engaged culture, with a people-first approach and a genuine and meaningful emphasis on engagement and team play, and has been regularly recognised for its distinctive culture. Most recently, in 2019, the Group was awarded "Best Place to Work Award" by Drapers, "Business Culture Achievement Award (Medium Business)" at the Business Culture Awards and "Employee Engagement and Experience Award" at the HR Distinction Awards.

Key Factors Affecting the Group's Results of Operations

The results of the Group's operations have been, and will continue to be, affected by many factors, some of which are beyond the Group's control. This section sets out certain key factors the Directors believe have affected the Group's results of operations in the period under review and could affect its results of operations in the future.

Sales volume, pricing and product mix

The most significant factor affecting the Group's results of operations are the number of pairs of footwear sold. The Group has consistently increased the number of pairs sold in each of the last three financial years and in the six months ended 30 September 2020. The Group sold approximately 6.9 million pairs, 8.3 million pairs and 11.1 million pairs for FY18, FY19 and FY20, respectively, being a CAGR of 27% and approximately 4.8 pairs and 5.5 pairs for the six months ended 30 September 2019 and 2020, respectively.

The Group's products are split among four principal categories: Originals, Fusion, Kids and Casual. The majority of sales are from the Group's Originals category, with 60% of total revenue for the Group in FY20 generated from that category. Within the Originals category is the 1460 boot, which represented 42% of total revenue for the Group in FY20. The Fusion, Casual and Kids categories accounted for 25%, 6% and 5% of total revenue for the Group in FY20, respectively.

The Group has experienced consistent growth in sales during the financial periods under review, with a CAGR of 27% from FY18 to FY20. This has resulted in substantial growth in revenue (39%), gross profit (47%) and EBITDA (based on FY20 pre-IFRS 16) (81%) during the same period.

Expansion of the Group's direct-to-consumer channel / evolution of the Group's distribution channels

The Group's distribution network comprises two distribution channels: direct-to-consumer (e-commerce and retail) and business-to-business (wholesale customers, distributors and franchises). The Group's direct-to-consumer channel consists of the Group's e-commerce business and its own stores. The direct-to-consumer channel provides a more effective relationship with consumers and greater control over sales than wholesale distribution. In addition, the Group generates higher gross margin through sales in the direct-to-consumer channel compared to the business-to-business channel. Growing the direct-to-consumer channel has been a key focus for the Group and has grown from 26% of total revenue in FY15 to 45% of total revenue in FY20. The largest contributor within the direct-to-consumer channel has been the e-commerce segment which has grown from 7% of total revenue in FY15 to 20% of total revenue in FY20. During the period under review, e-commerce revenue was £43.6 million, £72.7 million and £136.4 million for FY18, FY19 and FY20, respectively, being a CAGR of 77% and £37.9 million and £75.3 million for the six months ended 30 September 2019 and 2020, respectively. The retail segment has grown from 94 stores as at 31 March 2018 to 109 stores as at 31 March 2019 and 122 stores as at 31 March 2020, and 130 stores as at 30 September 2020. During the period under review, retail revenue was £97.1 million, £126.7 million and £165.2 million for FY18, FY19 and FY20, respectively, being a CAGR of 30% and £64.5 million and £34.3 million for the six months ended 30 September 2019 and 2020, respectively. In addition, the Group has recently converted certain of its key markets from a distributor to an owned-and-operated subsidiary basis. (including Germany and the Baltics/Nordics), and is currently in the process of converting certain others (including Italy and Spain/ Portugal). For example, the conversion in Germany resulted in a revenue CAGR of 70% from FY18 to FY20 with an increase in direct-to-consumer sales from 17% in FY18 to 37% in FY20. In the Netherlands, the Group achieved a revenue CAGR of 58% from FY15 to FY20 with an increase in direct-to-consumer sales from 52% in FY15 to 65% in FY20.

While increased sales in the direct-to-consumer channel may lead to increased revenue, the expansion of that channel also requires capital expenditure and increased fixed costs, primarily in IT infrastructure, IT and e-commerce personnel, rent and sales personnel. The average rent per store as at 31 March 2020 was approximately £0.2 million and average capital expenditure per store was approximately £0.4 million in FY20. The Group has a target capital expenditure payback period of less than two years, with an average payback of less than one year based on stores opened in FY17 through FY19. The average revenue per store in FY20 was approximately £1.6 million with an approximately 39% return on sales in FY20 prior to the onset of the COVID-19 pandemic and a target of greater than 25% return on sales in the third year of opening a store. The Group expects these costs to be broadly similar going forward. See "*Risk Factors—Risks relating to the Group's business—If the Group is unable to effectively execute its e-commerce growth strategy, its business and prospects may be harmed.*"

Global expansion and growth of brand awareness

The Group is focused on expanding its brand and growing its brand awareness internationally. The Group's products are sold in over 60 countries, with 43% of the Group's revenue in FY20 generated in the EMEA region, 37% in the Americas and 20% in the APAC region. The Group has experienced consistent revenue growth in all regions for the financial periods under review, with a CAGR of 39% in the EMEA region, 47% in the Americas and 27% in the APAC region from FY18 to FY20. Sales and Marketing expenses increased by £10 million to £22 million in FY20 from £12 million in FY18 (calculated on a constant currency basis).

In the United Kingdom, where the Group has sold its products for the past 60 years, the Group sold approximately 31 pairs per 1,000 population and enjoyed brand awareness (based on a third-party consumer survey) of 93% in FY20. By comparison, the Group sold approximately 12 pairs per 1,000 population in the United States, sold approximately 7 pairs per 1,000 population in Germany, sold approximately 7 pairs per 1,000 population in Italy, sold approximately 5 pairs per 1,000 population in France, sold approximately 14 pairs per 1,000 population in the Benelux region, sold approximately 17 pairs per 1,000 population in Australia, sold approximately 4 pairs per 1,000 population in Japan, sold approximately 6 pairs per 1,000 population in South Korea and sold less than 1 pair per 1,000 population in China. The Group had a brand awareness of 75% in the United States, 66% in Germany, 80% in Italy, 82% in France, 72% in Japan and 63% in China. The Group accordingly believes there is a substantial opportunity to increase sales and brand awareness in all core markets over the medium term and anticipates increased sales and marketing expenses in its international markets in order to achieve this growth.

Costs of manufacturing

The Group's industry is subject to fluctuations in costs related to certain raw materials used in the manufacturing of its products. This fluctuation applies primarily to costs driven by commodity prices, which can increase or decrease over time. The Group uses commercially reasonable efforts to mitigate these effects by implementing a multi-supplier strategy and sourcing its products as efficiently as possible. The Group's leather is provided by a limited number of suppliers. In addition, manufacturing labour costs are also subject to degrees of volatility based on local and global economic conditions. The Group uses commercially reasonable efforts to source from localities that suit its manufacturing and quality standards and result in more favourable labour costs to its products.

Macroeconomic effects on consumer buying patterns and consumer spending

The Group's performance is affected by macroeconomic conditions which affect the disposable income and spending patterns of consumers. The state of the economy as a whole, inflation, deflation, political uncertainty, the availability of consumer credit, taxation, unemployment and the impact of the COVID-19 pandemic are all factors that relate to the prevailing macroeconomic conditions and affect Dr. Martens' business. Economic growth and consumer confidence are therefore important for Dr. Martens' strategy of expanding its global network. A decrease in global economic growth or a slowdown in core markets could negatively affect Dr. Martens' results of operations. See "*Risk Factors—Risks relating to the Group's industry—The Group's business is influenced by economic conditions that impact consumer spending.*"

Investments in operations and IT infrastructure

The Group has made substantial investments to its IT systems and infrastructure over the last several years. These investments have been focused on the growth of the Group's e-commerce business and improving the efficiency of the Group's distribution network. The Group has recently implemented Microsoft Dynamics 365 for its enterprise resource planning solution in the Americas and EMEA and plans to implement this functionality for its APAC business beginning in early 2021 and estimates it will take 18-24 months to fully implement. The Group has also invested in risk management solutions for its IT systems, including migrating its systems to the cloud, where appropriate, and establishing dedicated teams for IT functions. Going forward, the Group expects its costs related to IT systems and infrastructure to remain stable as a percentage of revenue, shifting from investment in new systems to maintenance of existing systems.

Impact of the COVID-19 pandemic

During the course of the COVID-19 pandemic, all of the Group's retail stores (except in South Korea and Hong Kong) have been closed at times, resulting in a significant decrease in retail revenue. Additionally, a majority of its wholesale customers have also closed at times, with some rescheduling orders, resulting in deferred wholesale revenue (including distributor and franchise revenue) and requiring a build-up of inventory in order to mitigate any disruptions in the Group's distribution channels. The Group was able to offset the negative impact of the reductions in retail revenues with a significant increase in e-commerce revenue during the periods when its stores were closed.

In response to the COVID-19 pandemic the Group quickly engaged its crisis management committee to coordinate response across its spheres of operation and share best practices, particularly its earlier experience of the impact of the COVID-19 pandemic on its business and operations in China, Hong Kong and South Korea. The Group responded to the challenges presented by the COVID-19 pandemic by taking a series of steps to reduce costs, protect cash flow and ensure the wellbeing and safety of its teams and customers. It also increased its available undrawn facilities by £70.0 million, to ensure liquidity headroom. However, despite the proactive measures by the Group to address the COVID-19 pandemic and the significant increase in e-commerce revenue during the course of the COVID-19 pandemic, the Group's retail revenue was adversely affected by the pandemic. For instance, in the six months ended 30 September 2020, the Group's retail revenue declined by 47% while the Group's e-commerce revenue increased by 99% compared to the six months ended 30 September 2019. See "*Risk Factors—Risks relating to the Group's business—The COVID-19 pandemic has affected and could continue to affect the Group's business, financial condition, results of operations and prospects.*"

Foreign exchange fluctuations and interest rate risks

The Group reports its consolidated financial reports in pounds sterling. However, its subsidiaries, which operate globally, use their local currencies. As a result, the Group's results of operations are affected by exchange rate fluctuations between pounds sterling and the other currencies in which it conducts and will continue to conduct transactions, including euro, US dollar, Chinese yuan, Japanese yen, South Korean won and Hong Kong dollars.

In addition, the Group pays its suppliers primarily in US dollars, and therefore it incurs its costs of goods sold predominantly in US dollars. Dr. Martens sets the sales price for its products at periodic fixed intervals, and occasionally when reorders are made. If there is a significant weakening of the exchange rate between the local currency, in which the revenue is generated, prior to the sale and subsequent to its fixing of prices, then its expected margins may be reduced.

The Group manages this risk by, wherever possible, building a natural hedge of foreign currency denominated sales and purchases so that the inflows and outflows of foreign currencies are roughly equal. If significant currency positions develop, forward foreign exchange contracts are also used for hedges of pounds sterling to US dollar and euro to US dollar. See "*Risk Factors—Risks relating to the Group's business—The Group is exposed to fluctuations in foreign currency exchange.*"

Key Factors Affecting Comparability of Results

Seasonality

The Group experiences seasonal fluctuations in its revenue. The seasonal nature of the Dr. Martens business is broadly similar across geographies and sales channels. Sales peak during the September to December sales period, driven mainly by consumers purchasing boots for the autumn and winter seasons. In the year ended 31 March 2020, 60% of the Group's sales occurred in the second half of the financial year (October to March). The Group incurs significant additional expenses in advance of and during the September to December sales period in anticipation of higher sales during that period, including the cost of additional inventory and advertising. Because of the timing of these seasonal peaks, the Group's second-half results show significantly more revenue compared to its first-half results. Further the Group's cash flow is affected by this seasonality with the Group experiencing negative cash flow during the first half of the financial year in preparation for increased sales during the second half of the financial year. See "*Risk Factors—Risks relating to the Group's business—The Group's business may be impacted by weak sales during peak selling seasons.*"

The Group's operating costs, including personnel costs, rental expense and administrative costs, are more evenly distributed during the financial year.

Adoption of IFRS 16

The Group adopted IFRS 16—Leases ("IFRS 16") from 1 April 2019 using the Modified Retrospective Approach and continues to closely monitor market adoption and evolving best practice whilst assessing the impact on the financial results. The standard replaced IAS 17 and addresses the definition of a lease and its recognition and measurement. The standard has no economic impact, no effect on the operations and no effect on cash flow with its impact purely accounting related. The adoption of IFRS 16 affected the presentation of assets, liabilities, the income statement and classification of cash flows relating to leases. See Note 27 of Section B of Part 9 (*Historical Financial Information*) for further information.

Recent Accounting Pronouncements

See Note 1 of Section B of Part 9 (*Historical Financial Information*).

Key Performance Indicators

The Group monitors several key metrics to track the financial and operating performance of its business. These measures are derived from the Group's internal financial and analytics systems. As some of these measures are not determined in accordance with IFRS, and are thus susceptible to varying calculations, they may not be comparable with other similarly titled measures of performance of other companies. For more information on the definition and calculation of these metrics, including a reconciliation to the Group's reported historical financial information prepared on an IFRS basis, where relevant, please see "Non-IFRS financial information" and "Key performance indicators", each in Part 2 (*Presentation of Financial and Other Information*).

	Year ended 31 March			Six months ended 30 September	
			(£m)		
	2018	2019	2020	2019	2020
				(unaudited)	
Financial KPIs					
Revenue	348.6	454.4	672.2	268.7	318.2
Gross profit	186.0	260.6	401.5	155.2	186.3
EBITDA	50.0	85.0	184.5	66.6	86.3
EBITDA (pre-IFRS 16)	50.0	85.0	164.4	57.1	74.8
Operating cash flow(1)	43.9	55.0	141.6	10.5	69.2
Margins (%)					
Gross margin (*unaudited*)	53.4%	57.3%	59.7%	57.8%	58.5%
EBITDA margin (*unaudited*)	14.3%	18.7%	27.4%	24.8%	27.1%
EBITDA margin (pre-IFRS 16) (*unaudited*)	14.3%	18.7%	24.5%	21.3%	23.5%
Non-financial KPIs					
Pairs (million)	6.9	8.3	11.1	4.8	5.5
Own stores	94	109	122	112	130
E-commerce mix	13%	16%	20%	14%	24%
Direct-to-consumer mix	40%	44%	45%	38%	34%

Note:

(1) FY20, H1 FY20 and H1 FY21 are on a post-IFRS 16 basis.

Description of Key Line Items

Revenue

Revenue arises from the sale of products to consumers, is stated excluding value added tax and other sales related taxes and is recognised at a point in time when control of the goods is transferred to the consumer. Revenue is recognised at the invoiced price less any associated discounts. Provisions for returned goods are calculated based on future expected level of returns for each channel, assessed across a variety of factors such as historical trends, economic factors and other measures.

Cost of sales

Cost of sales refers to cost of goods sold which relates to input costs required to make the product, including components, labour and overheads, as well as duties levied on the transportation of goods between countries, and the cost of inbound and outbound freight. Outbound freight relates to transportation movements from distribution centres to e-commerce and wholesale customers. The outbound freight costs for movements for retail are captured within Selling and administrative expenses,

Selling and administrative expenses

Selling and administration costs refer to the operating costs. These refer to costs of operating own retail stores and distribution centres, marketing expenses, royalties, other operating costs and support costs. Selling and administrative expenses are partially directly allocable to the Group's business segments. Selling and administrative expenses which by their nature cannot be allocated to a specific segment are included within support costs. These include Group finance, legal, Group human resource, global brand and design, product development, sourcing and quality, technology, IT, Directors and other Group related expenses.

EBITDA

Profit (or loss) for the year before income tax expense, financing expense, foreign exchange losses, depreciation of right-of-use assets, depreciation, amortisation and exceptional items. Exceptional items are material items that are considered exceptional in nature by virtue of their size and/or incidence.

Exceptional items

Exceptional costs consist of material non-recurring items and items arising outside of the normal trading of the Group.

Depreciation, amortisation and forex gains/(losses)

Depreciation relates to the annual write down of the Group's fixed assets over their respective estimated useful life. The policy for calculating the annual charge varies by category as follows:

Freehold properties—2% straight line method

Leasehold land and buildings—2% straight line method or over the life of the lease

Plant and Machinery—15% straight line method

Office and computer equipment—20% and $33^{1}/_{3}\%$ straight line method

Right-of-use assets—straight line method over the shorter of lease term or estimated useful life.

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values using the straight-line method over their expected useful economic life of each asset, which is considered to be three to seven years. Goodwill is not amortised.

Forex gains/(losses) relates to differences arising on translation of foreign currency into GBP. Monetary assets and liabilities denominated in foreign currencies are translated into GBP at the rates of exchange ruling at the period-end. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to the statement of comprehensive income.

Finance expense

Finance expense is comprised of interest on borrowings including the amortisation of debt issue costs, interest on preference shares and interest on finance leases.

Income tax expense

Income tax expense represents the sum of the tax currently payable and deferred tax movement in the period. The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the statement of comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated by using tax rates that have been enacted or substantively enacted by the end of each reporting period and any adjustment to tax payable in respect of previous periods. Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amount of assets and liability in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the statement of financial position liability method. Deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

Expenses under IAS 17

Expenses under IAS 17 consist of lease expense that would have been incurred if IAS 17 had applied to the periods to 30 September 2020 and 30 September 2019 (unaudited) and the year ended 31 March 2020.

CURRENT TRADING AND PROSPECTS

Dr. Martens continued to perform strongly in the three months ended 31 December 2020, despite continued store closures due to the COVID-19 pandemic. In line with expectations, the Group delivered revenue growth of 9% in the third quarter of FY21 compared to the same period last year. Direct-to-consumer channel revenue growth was 13% year-on-year, reflecting e-commerce revenue growth of 60% partially offset by a retail revenue decline of 33% following temporary store closures (mainly in EMEA) and other social distancing restrictions due to the COVID-19 pandemic. Wholesale revenue (including distributor and franchise revenue) was up 4% year-on-year.

On a year to date basis, represented by the nine months to 31 December 2020, Group revenue was up 14% year-on-year. Director-to-consumer channel revenue growth was 10% year-on-year, as e-commerce revenue grew by 74% partially offset by a retail revenue decline of 40%. Wholesale revenue (including distributor and franchise revenue) grew by 16% year-on-year. As a result of the mix shift in the period, e-commerce revenue represented 30% of year to date revenue compared to 20% for the same period last year.

The Company's business plan includes targets in respect of certain income statement and cash flow metrics, as well as in connection with the Group's capital structure and dividend payments, which are set out below. These are forward-looking statements, based on assumptions that the Directors believe are reasonable, but which may turn out to be incorrect or different than expected, and the Group's ability to achieve such targets will depend on a number of factors, many of which are outside the Group's control, including significant business and economic uncertainties and risks, including those described in Part 1 (*Risk Factors*). As a result, the Group's actual results may vary from the targets set out in its business plan and those variations may be material.

Income statement targets

Revenue. On the basis of the current trading restrictions of various governments, the Company expects FY21 revenue growth to be 14% – 15%, with high-teens growth in FY22, as the impact of the COVID-19 pandemic on the Group and its markets reduces. The Company is subsequently targeting mid-teens revenue growth in the medium term. The Company expects that the continued execution of its DOCS strategy will support broad based growth across its geographic footprint, mainly led by volume growth.

Direct-to-consumer mix. The Company anticipates its direct-to-consumer mix in FY21 to be consistent with FY20 levels, with its e-commerce business growing to approximately 30% of Group revenue partly offset by the impact of temporary store closures on retail sales as a result of the COVID-19 pandemic. In the medium term, the Company is targeting a direct-to-consumer mix of 60% or more of Group revenue driven by e-commerce growth to 40% or more of Group revenue and 20 – 25 new store openings per year supporting the retail business, continuing the Group's shift in focus towards its direct-to-consumer channel.

EBITDA. The Company is not providing any short-term EBITDA targets or forecasts. The Company is expecting, in the medium term, after the impact of the COVID-19 pandemic has worked its way through the Group's markets, EBITDA margin to remain on a journey towards 30%, with EBITDA growth percentage expected to be in the high-teens over this period driven by channel mix and supply chain savings and supported by an increase in marketing spend of 0.5 percentage points per annum. EBITDA growth is expected to be partly offset by approximately £5 million of incremental costs per annum from becoming a publicly-listed entity and anticipated long-term incentive plan costs of £3 million in FY22, growing further to £9 million over three years. The Company expects one-time transaction costs of £30 – £35 million associated with obtaining admission to the London Stock Exchange.

Depreciation and amortisation. The Company expects depreciation and amortisation of the Group's assets to be 2.0% – 2.5% of revenue in the medium term with IFRS 16 depreciation anticipated to be approximately 10% of EBITDA.

IFRS 16 interest. The Company anticipates that IFRS 16 interest in the medium term will be £4 – £7 million per annum, assuming a 4% per annum cost of financing of IFRS 16 lease liabilities.

Tax rate. The Company expects that the Group's effective tax rate through the medium term will be approximately 20% with cash tax broadly consistent with this expected effective tax rate.

Cash flow targets

Operating cash flow conversion. The Company expects that the Group's operating cash flow conversion will be 85% – 95% of EBITDA in FY21 due to the timing of debtors and inventory purchases related to the COVID-19 pandemic, which will unwind in FY22 driving operating cash flow conversion to 65% – 75% of EBITDA. The Company anticipates that operating cash flow conversion in the medium term will be 75% – 85% of EBITDA.

Capex. The Company expects that capital expenditure will be approximately 3.0% – 3.5% of revenue per annum in the medium term related to new stores (c. £0.4 million per new store), refurbishment of existing stores (c. 2% of revenue from existing stores) and investment in the Group's IT and supply chain.

Seasonality. The Company anticipates that seasonality in operating cash flow will continue to drive minimum cash balances in August and September each year with cash swings of approximately 0.5 times net leverage.

Capital structure and dividend targets

Leverage. The Company is targeting opening leverage of approximately 1.5 times net debt to EBITDA with anticipated new debt facilities comprising a £300 million term loan and a £200 million revolving credit facility. These facilities, along with a portion of cash on balance sheet, will be used to refinance all pre-existing bank debt, revolving credit facilities and redeemable preference shares. Lease liabilities recognised under IFRS 16 will remain on the balance sheet. The Company expects leverage at the end of the first half of FY22 to be impacted by seasonal cash swings of approximately 0.5 times net leverage and subsequently expects to deleverage over the medium term to approximately 1.0 times net debt to EBITDA. The Company conservatively expects its weighted cost of debt to be approximately 2.75% – 3.25% per annum.

Dividends. If it becomes a public company, the Company intends to adopt a progressive dividend policy targeting a pay-out of 25% – 35% of net income, with reinvestment for growth being the primary use of available cash. To the extent that higher-returning opportunities are not identified, consideration will be given to returning surplus cash to shareholders. The Company expects to pay its first dividend for the first half of FY22 in January 2022 with a one-third, two-third split of dividend payments across the fiscal year.

Finance lease payments. The Company expects that its finance lease payments in the medium term will be approximately 3% of revenue per annum due to IFRS 16 adjustments.

RESULTS OF OPERATIONS

Consolidated income statement

The table below presents the Group's results of operations for the periods indicated, which have been extracted without material adjustment from the historical financial information set out in Section B of Part 9 (*Historical Financial Information*).

	Year ended 31 March			Six months ended 30 September	
			(£m)		
	2018	2019	2020	2019	2020
				(unaudited)	
Revenue	**348.6**	**454.4**	**672.2**	**268.7**	**318.2**
Cost of sales	(162.6)	(193.8)	(270.7)	(113.5)	(131.9)
Gross profit	**186.0**	**260.6**	**401.5**	**155.2**	**186.3**
Selling and administrative expenses	(145.8)	(192.6)	(259.0)	(107.8)	(121.5)
Operating profit	**40.2**	**68.0**	**142.5**	**47.4**	**64.8**
EBITDA	**50.0**	**85.0**	**184.5**	**66.6**	**86.3**
Exceptional items	(1.8)	(5.2)	(12.0)	(3.7)	(3.0)
EBITDA (post-exceptional items)	**48.2**	**79.8**	**172.5**	**62.9**	**83.3**
Depreciation, amortisation and forex gains/(losses)	(8.0)	(11.8)	(30.0)	(15.5)	(18.5)
Operating profit	**40.2**	**68.0**	**142.5**	**47.4**	**64.8**
Finance expense	(39.5)	(39.1)	(41.5)	(21.2)	(22.9)
Profit before income tax	**0.7**	**28.9**	**101.0**	**26.2**	**41.9**
Income tax expense	(6.4)	(11.7)	(26.2)	(8.9)	(12.4)
Profit/(loss) for the period/year attributable to the owners of the parent	**(5.7)**	**17.2**	**74.8**	**17.3**	**29.5**
Reconciliation of EBITDA to EBITDA presented on an IAS 17 basis:					
EBITDA	**50.0**	**85.0**	**184.5**	**66.6**	**86.3**
Expenses under IAS 17(1)	—	—	(20.1)	(9.5)	(11.5)
EBITDA presented on an IAS 17 basis	**50.0**	**85.0**	**164.4**	**57.1**	**74.8**

(1) Represents lease expense that would have been incurred if IAS 17 had applied to the periods to 30 September 2020 and 30 September 2019 (*unaudited*), and the year ended 31 March 2020

Results of operations by region

The Group operates across regions, EMEA, Americas and APAC. The table below presents certain of the Group's financial information by region for the periods indicated.

	Year ended 31 March			Six months ended 30 September	
			(£m)		
	2018	2019	2020	2019	2020
				(unaudited)	
Revenue	**348.6**	**454.4**	**672.2**	**268.7**	**318.2**
EMEA	149.6	195.1	287.9	123.3	159.6
Americas	117.4	161.1	252.2	97.0	102.6
APAC	81.6	98.2	132.1	48.4	56.0
EBITDA	**50.0**	**85.0**	**184.5**	**66.6**	**86.3**
EMEA	22.7	39.5	92.4	34.0	53.8
Americas	18.5	33.0	75.4	28.9	28.9
APAC	19.3	23.7	35.5	11.1	13.5
Support costs	(10.5)	(11.2)	(18.8)	(7.4)	(9.9)
EBITDA margin	**14.3%**	**18.7%**	**27.4%**	**24.8%**	**27.1%**
EMEA	15.2%	20.2%	32.1%	27.6%	33.7%
Americas	15.8%	20.5%	29.9%	29.8%	28.2%
APAC	23.7%	24.1%	26.9%	22.9%	24.1%
Support costs (% revenue)	(3.0)%	(2.5)%	(2.8)%	(2.8)%	(3.1)%

Results of operations for the six months ended 30 September 2020 compared to the six months ended 30 September 2019

Revenue

Revenue increased by £49.5 million, or 18%, to £318.2 million in the six months ended 30 September 2020 from £268.7 million in the six months ended 30 September 2019. Notwithstanding the Covid-19 pandemic which resulted in the majority of the Group's stores being closed for a number of months during the period, e-commerce trading was very good such that DTC revenue grew and coupled with robust wholesale, resulted in volume driven total revenue growth. Pairs sold in the period increased 14% to 5.5 million compared to 4.8 million for the same period last year.

Revenue from the e-commerce channel increased by £37.4 million, or 99%, to £75.3 million for the six months ended 30 September 2020 from £37.9 million in the six months ended 30 September 2019, driven by a demand shift to e-commerce trading and the Group's websites in particular due to store closures related to the COVID-19 pandemic. Revenue from the e-commerce channel represented 24% of total revenue for the six months ended 30 September 2020 (14% for the six months ended 30 September 2019). Revenue from the retail channel decreased by £30.2 million, or 47%, to £34.3 million for the six months ended 30 September 2020 from £64.5 million in the six months ended 30 September 2019. Revenue from the wholesale channel (including distributor and franchise) increased by £42.3 million, or 25%, to £209 million for the six months ended 30 September 2020 from £166 million in the six months ended 30 September 2019.

Revenue from the EMEA region increased by £36.3 million, or 29%, to £159.6 million in the six months ended 30 September 2020 from £123.3 million in the six months ended 30 September 2019, characterised by very strong e-commerce trading and good wholesale results (due to conversion of Germany to a subsidiary market basis in the prior year) with lower retail trading due to the effect of COVID-19 pandemic on retail. During the period, six new stores were opened (two in Germany and four in France) and one was closed in the United Kingdom. During the six months ended 30 September 2020 revenue from the Americas region increased by £5.6 million, or 6%, to £102.6 million in the six months ended 30 September 2020 from £97.0 million in the six months ended 30 September 2019, with very good e-commerce trading offset by lower retail trading due to the effect of COVID-19 pandemic on retail. Revenue from the APAC region increased by £7.6 million, or 16%, to £56.0 million in the six months ended 30 September 2020 from £48.4 million in the six months ended 30 September 2019, due to very strong e-commerce and wholesale trading performance in the period. During the period one new store was opened in Japan and one new store was opened in Hong Kong.

Cost of sales

Cost of sales increased by £18.4 million, or 16%, to £131.9 million in the six months ended 30 September 2020 from £113.5 million in the six months ended 30 September 2019. This increase was primarily due to increases in volumes sold.

Gross profit

Gross profit increased by £31.1 million, or 20%, to £186.3 million in the six months ended 30 September 2020 from £155.2 million in the six months ended 30 September 2019. This increase was primarily due to increases in volumes sold. Gross margin for the six months ended 30 September 2020 was 58.5% compared to 57.8% for the six months ended 30 September 2019, and increase of 0.7 percentage points.

Selling and administrative expenses

Selling and administrative expenses increased by £13.7 million, or 13%, to £121.5 million in the six months ended 30 September 2020 from £107.8 million in the six months ended 30 September 2019. This increase was primarily due to volume driven costs increases.

EBITDA

EBITDA increased by £19.7 million, or 30%, to £86.3 million in the six months ended 30 September 2020 from £66.6 million in the six months ended 30 September 2019. This increase was primarily due to better gross margin from an increase in sales from the Group's e-commerce segment (24% of total sales for the six months ended 30 September 2020 compared to 14% of total sales for the six months ended 30 September 2019) and from unusually low levels of discretionary spend and deferral of a number of planned investments in the period to the second half of FY21 due to spending restrictions implemented in the early weeks of the COVID-19 pandemic.

EBITDA from the EMEA region increased by £19.8 million, or 58%, to £53.8 million in the six months ended 30 September 2020 from £34.0 million in the six months ended 30 September 2019. EBITDA from the Americas region was £28.9 million in the six months ended 30 September 2020 and £28.9 million in the six months ended 30 September 2019. EBITDA from the APAC region increased by £2.4 million, or 22%, to £13.5 million in the six months ended 30 September 2020 from £11.1 million in the six months ended 30 September 2019. Support costs increased by £2.5 million in the six months ended 30 September 2019.

Exceptional items

Exceptional items decreased by £0.7 million, or 19%, to £3.0 million in the six months ended 30 September 2020 from £3.7 million in the six months ended 30 September 2019. These costs were primarily related to consulting fees in relation to the Company's exploration and diligence associated with an exercise to review strategic options in the six months ended 30 September 2020. In the six months ended 30 September 2019, there were £1.2 million in charges in relation to the implementation of the new IT system, (with APAC build and rollout deferred to early 2021 following the COVID-19 pandemic.).

Depreciation, amortisation and forex gains/(losses)

Depreciation, amortisation and forex gains increased by £3.0 million, or 19%, to £18.5 million in the six months ended 30 September 2020 from £15.5 million in the six months ended 30 September 2019. This increase was primarily due to higher depreciation charges on right-of-use assets.

Operating profit

Operating profit increased by £17.4 million, or 37%, to £64.8 million in the six months ended 30 September 2020 from £47.4 million in the six months ended 30 September 2019. This increase was primarily due to growth in revenue offset by higher costs to support the growth in the business.

Finance expense

Finance expense increased by £1.7 million, or 8%, to £22.9 million in the six months ended 30 September 2020 from £21.2 million in the six months ended 30 September 2019. This increase was primarily due to an increase in the preference share interest of £1.1 million and bank debt of £0.3 million.

Profit before income tax

Profit before income tax increased by £15.7 million, or 60%, to £41.9 million in the six months ended 30 September 2020 from £26.2 million in the six months ended 30 September 2019. This increase was primarily due to increased trading and current tax.

Income tax

Income tax increased by £3.5 million, or 39%, to £12.4 million in the six months ended 30 September 2020 from £8.9 million in the six months ended 30 September 2019. This increase was primarily due to increases in taxable profit during the period.

Profit for the year

Profit for the year increased by £12.2 million, or 71%, to £29.5 million in the six months ended 30 September 2020 from £17.3 million in the six months ended 30 September 2019. This increase was primarily due to increase in volumes sold.

Results of operations for the year ended 31 March 2020 compared to the year ended 31 March 2019

Revenue

Revenue increased by £217.8 million, or 48%, to £672.2 million in the year ended 31 March 2020 from £454.4 million in the year ended 31 March 2019. This increase was primarily driven by 34% growth in the number of pairs sold to 11.1 million in the year ended 31 March 2020 from 8.3 million in the year ended 31 March 2019.

Revenue from the e-commerce channel increased by £63.7 million, or 88%, to £136.4 million for the year ended 31 March 2020 from £72.7 million in the year ended 31 March 2019, driven by the re-platforming of the websites in Japan and South Korea and improved website functionality in America and EMEA. Revenue from the e-commerce channel represented 20% of total revenue for the year ended 31 March 2020 (16% for the year ended 31 March 2019). Revenue from the retail channel increased by £38.5 million, or 30%, to £165.2 million for the year ended 31 March 2020 from £126.7 million in the year ended 31 March 2019. During the period, like-for-like growth from own stores was 21% (represented by same own stores on a constant currency basis), and the Group opened 16 new stores and closed 3 stores. Revenue from the wholesale channel (including distributor and franchise) increased by £115.6 million, or 45%, to £370.6 million for the year ended 31 March 2020 from £255.0 million in the year ended 31 March 2019, due in part by the annualization of the transition in Germany to an owned and operated subsidiary and successful trial of the shop-in-shop fixturing in certain larger US wholesale accounts.

Revenue from the EMEA region increased by £92.8 million, or 48%, to £287.9 million in the year ended 31 March 2020 from £195.1 million in the year ended 31 March 2019, with a 57% increase in revenues from the direct-to-consumer channel. Revenues from the wholesale channel (including distributor and franchise) increased by 39% with good growth across all countries. During the year ended 31 March 2020 the Nordics were transitioned from third-party distributor basis to an owned and operated subsidiary where all wholesale accounts were transitioned to a direct relationship resulting in a broader mix of accounts and product selection. Revenue from the Americas region increased by £91.1 million, or 57%, to £252.2 million in the year ended 31 March 2020 from £161.1 million in the year ended 31 March 2019, with a 43% increase in revenue from the direct-to-consumer channel. Revenue from the wholesale channel (including distributor and franchise) increased 65% following increased focus on larger strategic accounts and successful trials of shop-in-shop fixturing in certain of those accounts. Revenue from the APAC region increased by £33.9 million, or 35%, to £132.1 million in the year ended 31 March 2020 from £98.2 million in the year ended 31 March 2019, driven by strong growth in China e-commerce and new websites in South Korea and Japan.

Cost of sales

Cost of sales increased by £76.9 million, or 40%, to £270.7 million in the year ended 31 March 2020 from £193.8 million in the year ended 31 March 2019. This increase was primarily due to growth in the number of pairs sold, changes in product and country mix and inflationary cost increases. These increases were off-set in part through the realisation of cost savings as a result of supply chain efficiencies.

Gross profit

Gross profit increased by £140.9 million, or 54%, to £401.5 million in the year ended 31 March 2020 from £260.6 million in the year ended 31 March 2019. This increase was primarily due to increase in pairs sold. Gross margin increased by 2.4 percentage points to 59.7% in the year ended 31 March 2020 from 57.3% in the year ended 31 March 2019. This margin increase was a result of the increased revenues through the higher margin DTC channels. DTC mix% and E-commerce mix% increased to 45% and 20% respectively for the year ended 31 March 2020 from 44% and 16% respectively for the year ended 31 March 2019.

Selling and administrative expenses

Selling and administrative expenses increased by £66.4 million, or 34%, to £259.0 million in the year ended 31 March 2020 from £192.6 million in the year ended 31 March 2019. The Group incurred increases in staff costs of £25.6 million, advertising and marketing of £12.5 million and other operating charges of £21.2 million which were driven by increased business volume, new store openings and continued scaling of the operations. In the year ended 31 March 2020, following the adoption of IFRS 16, operating lease costs for long-term leasehold property are no longer recognised as an operating expense. In the year ended 31 March 2019 an amount of £18.6 million was recognised as a Selling and administrative expense in operating lease costs for long-term leasehold property. In addition, Selling and administrative expenses include charges for depreciation and amortisation, and exceptional items which are detailed below.

EBITDA

EBITDA increased by £99.5 million, or 117%, to £184.5 million in the year ended 31 March 2020 from £85.0 million in the year ended 31 March 2019. EBITDA (pre-IFRS 16) increased by £79.4 million, or 93%, to £164.4 million in the year ended 31 March 2020 from £85.0 million in the year ended 31 March 2019. This increase was primarily due to volume growth, in particular an increase in sales from the Group's e-commerce segment (20% of total sales for the year ended 31 March 2020 compared to 16% of total sales for the year ended 31 March 2019) and operating leverage, as revenue and gross profit continued to grow at a faster rate than operating expenses as the business began to realise the benefits of scale.

EBITDA from the EMEA region increased by £52.9 million, or 134%, to £92.4 million in the year ended 31 March 2020 from £39.5 million in the year ended 31 March 2019. During the year ended 31 March 2020 EBITDA from the Americas region increased by £42.4 million, or 128%, to £75.4 million in the year ended 31 March 2020 from £33.0 million in the year ended 31 March 2019. During the year ended 31 March 2020 EBITDA from the APAC region increased by £11.8 million, or 50%, to £35.5 million in the year ended 31 March 2020 from £23.7 million in the year ended 31 March 2019.

Exceptional items

Exceptional items increased by £6.8 million, or 131%, to £12.0 million in the year ended 31 March 2020 from £5.2 million in the year ended 31 March 2019. This increase was primarily due to consulting fees incurred in relation to the exercise to review strategic options of £7.3 million.

Depreciation, amortisation and forex gains

Depreciation, amortisation and forex gains increased by £18.2 million, or 154%, to £30.0 million in the year ended 31 March 2020 from £11.8 million in the year ended 31 March 2019. This increase was primarily due to the adoption of IFRS 16 where depreciation of right-of-use asset of £17.9 million was incurred for the first time.

Operating profit

As a result of the above, operating profit increased by £74.5 million, or 110%, to £142.5 million in the year ended 31 March 2020 from £68.0 million in the year ended 31 March 2019.

Finance expense

Finance expense increased by £2.4 million, or 6%, to £41.5 million in the year ended 31 March 2020 from £39.1 million in the year ended 31 March 2019. This increase was primarily due to the inclusion of interest on lease liabilities in finance expense as a result of the adoption of IFRS 16 on 1 April 2019.

Profit before income tax

As a result of the above profit before, income tax increased by £72.1 million, or 249%, to £101.0 million in the year ended 31 March 2020 from £28.9 million in the year ended 31 March 2019.

Income tax

Income tax increased by £14.5 million, or 124%, to £26.2 million in the year ended 31 March 2020 from £11.7 million in the year ended 31 March 2019. This increase was primarily due to increased taxable profits during the year.

Profit for the year

As a result of the above, profit for the year increased by £57.6 million, or 335%, to £74.8 million in the year ended 31 March 2020 from £17.2 million in the year ended 31 March 2019.

Results of operations for the year ended 31 March 2019 compared to the year ended 31 March 2018

Revenue

Revenue increased by £105.8 million, or 30%, to £454.4 million in the year ended 31 March 2019 from £348.6 million in the year ended 31 March 2018. This increase was primarily driven by 20% growth in the number of pairs sold to 8.3 million in the year ended 31 March 2019 from 6.9 million in the year ended 31 March 2018.

Revenue from the e-commerce channel increased by £29.1 million, or 67%, to £72.7 million for the year ended 31 March 2019 from £43.6 million in the year ended 31 March 2018, driven by the re-platforming and improved website functionality in America and EMEA and full-year trading in China on Tmall. Revenue from the e-commerce channel represented 16% of total revenue in the year ended 31 March 2019 (13% in the year ended 31 March 2018). Revenue from the retail channel increased by £29.6 million, or 30%, to £126.7 million for the year ended 31 March 2019 from £97.1 million in the year ended 31 March 2018. During the period, like-for-like growth from own stores was 18% (represented by same own stores on a constant currency basis), and the Group opened 20 new stores and closed five stores. Revenue for the wholesale channel (including distributor and franchise) increased by £47.1 million, or 23%, to £255.0 million for the year ended 31 March 2019 from £207.9 million in the year ended 31 March 2018, with good growth across all regions.

Revenue from the EMEA region increased by £45.5 million, or 30%, to £195.1 million in the year ended 31 March 2019 from £149.6 million in the year ended 31 March 2018, with a 41% increase in revenues from the direct-to-consumer channel. Revenues from the wholesale channel (including distributor and franchise) increased 22% with good growth across all countries. During the year, Germany was transitioned from a third-party distributor basis to an owned and operated subsidiary where all wholesale accounts were transitioned to a direct relationship resulting in a broader mix of accounts and product selection. Revenue from the Americas region increased by £43.7 million, or 37%, to £161.1 million in the year ended 31 March 2019 from £117.4 million in the year ended 31 March 2018, with a 48% increase in revenue from the direct-to-consumer channel and a 31% increase in revenue from the wholesale channel (including distributor and franchise). Revenue from the APAC region increased by £16.6 million, or 20%, to £98.2 million in the year ended 31 March 2019 from £81.6 million in the year ended 31 March 2018, driven by strong growth in Japan across all channels.

Cost of sales

Cost of sales increased by £31.2 million, or 19%, to £193.8 million in the year ended 31 March 2019 from £162.6 million in the year ended 31 March 2018. This increase was primarily due to an increase in the number of pairs sold.

Gross profit

Gross profit increased by £74.6 million, or 40%, to £260.6 million in the year ended 31 March 2019 from £186.0 million in the year ended 31 March 2018. This increase was primarily due to increases in the number of pairs sold. Gross margin increased by 3.9 percentage points to 57.3% in the year ended 31 March 2019 from 53.4% in the year ended 31 March 2018. This margin increase was a result of the increased revenues through the higher margin DTC channels. DTC mix% and E-commerce mix% increased to 44% and 16% respectively for the year ended 31 March 2019 from 40% and 13% respectively for the year ended 31 March 2018.

Selling and administrative expenses

Selling and administrative expenses increased by £46.8 million, or 32%, to £192.6 million in the year ended 31 March 2019 from £145.8 million in the year ended 31 March 2018. The Group incurred increases in staff costs of £21.1 million, advertising and marketing of £9.7 million and other operating charges of £8.8 million which were driven by increased business volume, new store openings and continued scaling of the operations. In addition Selling and administrative expenses include charges for depreciation and amortisation, and exceptional items which are detailed below.

EBITDA

EBITDA increased by £35.0 million, or 70%, to £85.0 million in the year ended 31 March 2019 from £50.0 million in the year ended 31 March 2018. This increase was primarily due to volume growth, in particular an increase in sales from the Group's e-commerce segment (16% of total sales for the year ended 31 March 2019 compared to 13% of total sales for the year ended 31 March 2018) and operating leverage, as revenue and gross profit continued to grow at a faster rate than operating expenses as the business began to realise the benefits of scale.

EBITDA from the EMEA region increased by £16.8 million, or 74%, to £39.5 million in the year ended 31 March 2019 from £22.7 million in the year ended 31 March 2018. During the year ended 31 March 2019 EBITDA from the Americas region increased by £14.5 million, or 78%, to £33.0 million in the year ended 31 March 2019 from £18.5 million in the year ended 31 March 2018. During the year ended 31 March 2019 EBITDA from the APAC region increased by £4.4 million, or 23%, to £23.7 million in the year ended 31 March 2019 from £19.3 million in the year ended 31 March 2018.

Exceptional items

Exceptional items increased by £3.4 million, or 189%, to £5.2 million in the year ended 31 March 2019 from £1.8 million in the year ended 31 March 2018. This increase was primarily due to an increase in non-recurring professional fees and an increase in the costs of the ERP implementation project.

Depreciation, amortisation and forex gains

Depreciation, amortisation and forex gains increased by £3.8 million, or 48%, to £11.8 million in the year ended 31 March 2019 from £8.0 million in the year ended 31 March 2018. This increase was primarily due to commencing the amortisation of the ERP system software.

Operating profit

As a result of the above, operating profit increased by £27.8 million, or 69%, to £68.0 million in the year ended 31 March 2019 from £40.2 million in the year ended 31 March 2018.

Finance expense

Finance expense decreased by £0.4 million, or 1%, to £39.1 million in the year ended 31 March 2019 from £39.5 million in the year ended 31 March 2018. This decrease was primarily due to slightly lower interest charges.

Profit before income tax

As a result of the above, profit before income tax increased by £28.2 million to £28.9 million in the year ended 31 March 2019 from £0.7 million in the year ended 31 March 2018.

Income tax

Income tax increased by £5.3 million, or 83%, to £11.7 million in the year ended 31 March 2019 from £6.4 million in the year ended 31 March 2018. This increase was primarily due to increased taxable profits during the year.

Profit for the year

Profit for the year increased by £22.9 million to £17.2 million in the year ended 31 March 2019 from a loss of £5.7 million in the year ended 31 March 2018.

LIQUIDITY AND CAPITAL RESOURCES

The Group's primary sources of liquidity are the cash flows generated from its operations, along with bank borrowings and equity contributions. The primary use of this liquidity is to fund the Group's operations.

Borrowings

The table below presents a breakdown of the Group's interest-bearing loans and borrowings as at the dates indicated.

	As at 31 March (£m)			As at 30 September
	2018	2019	2020	2020
Current				
RCF loans	—	—	10.7	20.0
Bank overdraft	—	—	9.3	—
Facilities drawn	—	—	20.0	20.0
Bank loans (including unamortised fees)	4.1	3.2	—	
Lease liabilities	—	—	21.8	19.5
Total current interest bearing loans and borrowings	4.1	3.2	41.8	39.5
Non-current				
Bank loans (including unamortised fees)	72.6	71.1	74.3	65.9
Lease liabilities	—	—	66.6	69.3
Redeemable preference(1)				
A Shares	64.9	57.2	54.0	55.7
B Shares	278.5	259.2	258.9	274.4
Total Redeemable Preference Shares	343.4	316.4	312.9	330.1
Total non-current borrowings	416.0	387.5	453.8	465.3
Total borrowings	**420.1**	**390.7**	**495.6**	**504.8**
Split of above:				
Current bank loans	4.1	3.2	—	—
Non-current bank loans	72.6	71.1	74.3	65.9
Total net bank loans (including unamortised fees)	**76.7**	**74.3**	**74.3**	**65.9**
Add back unamortised fees	2.1	1.3	0.5	1.9
Total gross bank loans	78.8	75.6	74.8	67.8
Total net bank loans (including unamortised fees)	**76.7**	**74.3**	**74.3**	**65.9**

Note:

(1) On 5 July 2018 the Company redeemed £50.0 million of preference shares in relation to £9.3 million of A shares and £40.7 million of B shares. On 31 October 2018, a further £10.0 million of preference shares were redeemed in relation to £1.8 million of A shares and £8.2 million of B shares. The aggregate of £60.0 million consisted of £10.0 million of share premium, £37.8 million of preference share capital repayments and £12.2 million of accrued interest. On 3 June 2019 the Company redeemed £35.0 million of preference shares in relation to £6.3 million on A shares and £28.7 million on B shares. The total of £35.0 million consisted of £20.2 million of principal repayments and £14.8 million of accrued interest.

Commitments and Contingent Liabilities

Commitments

The Group's commitments relate principally to bank loans, the Preference Shares (which carry a fixed coupon), derivative financial instruments, and trade and other payables. The table below presents a summary of the Group's commitments as at 30 September 2020.

	Up to 3 months	Between 3 and 12 months	Between 1 and 5 years	More than 5 years	Total
			(£m)		
Bank term loans					
Principal	—	—	67.8	—	**67.8**
Interest	1.0	3.0	2.1	—	**6.1**
Total bank term loans	**1.0**	**3.0**	**69.9**	**—**	**73.9**
RCF loan	20.0	—	—	—	**20.0**
Redeemable Preference Shares(1)	—	—	—	330.1	**330.1**
Lease liability	4.6	14.9	49.6	19.7	**88.8**
Derivative financial instruments	—	0.2	—	—	**0.2**
Trade and other payables, excluding non-financial liabilities	92.1	—	—	—	**92.1**
Total	**117.7**	**18.1**	**119.5**	**349.8**	**605.1**

Notes:

(1) Redeemable preference shares of 6% and 12% rolled into principal, balance above as at the period end

Contingent liabilities

The Group's contingent liabilities relate to HMRC duty deferment guarantees and rent guarantees. As at 30 September 2020, these amounted to £2.3 million.

Cash flows

The table below presents a summary of the Group's cash flows for the periods indicated, which has been extracted without material adjustment from the historical financial information set out in Section B of Part 9 (*Historical Financial Information*).

Consolidated cash flow statement data

	Year ended 31 March			Six months ended 30 September	
			(£m)		
	2018	2019	2020	2019	2020
				(unaudited)	
Cash flows from/(used in) operating activities	46.0	56.0	121.4	(3.3)	65.4
Cash used in investing activities	(16.4)	(17.1)	(21.9)	(9.4)	(11.6)
Cash flows used in financing activities	(9.3)	(69.3)	(44.0)	(35.2)	**(22.3)**
Net (decrease) / increase in cash and cash equivalents	20.3	(30.4)	55.5	(47.9)	31.5
Cash and cash equivalents at beginning of year	67.2	86.4	58.4	58.4	**117.2**
Effect of exchange on cash held	(1.1)	2.4	3.3	1.9	(1.9)
Cash and cash equivalents at end of year	**86.4**	**58.4**	**117.2**	**12.4**	**146.8**

Cash flows from/(used in) operating activities

Cash flows from operating activities increased by £68.7 million to £65.4 million in the six months ended 30 September 2020 from £3.3 million used in operating activities in the six months ended 30 September 2019, primarily due to an increase in cash generated from operations of £59.9 million and lower taxation paid of £8.9 million.

Cash flows from operating activities increased by £65.4 million, or 117%, to £121.4 million in the year ended 31 March 2020 from £56.0 million in the year ended 31 March 2019. This increase was primarily due to a significant increase in cash generated from operations of £87.8 million, offset by an increase in taxation paid of £22.4 million.

Cash flows from operating activities increased by £10.0 million, or 22%, to £56.0 million in the year ended 31 March 2019 from £46.0 million in the year ended 31 March 2018. This increase was primarily due to increase in cash generated from operations of £16.6 million, offset by an increase in taxation paid of £6.6 million.

Cash flows from/(used in) investing

Cash flows used in investing activities were £11.6 million in the six months ended 30 September 2020 compared with £9.4 million in the six months ended 30 September 2019. The principle item being capital expenditure of £8.2 million (2019: £9.4 million).

Cash flows used in investing activities increased by £4.8 million, or 28%, to £21.9 million in the year ended 31 March 2020 from £17.1 million in the year ended 31 March 2019. This increase was due to capital expenditure in respect of additions to property, plant and equipment of £3.5 million and additions to intangible assets of £1.3 million.

Cash flows used in investing activities increased by £0.7 million, or 4%, to £17.1 million in the year ended 31 March 2019 from £16.4 million in the year ended 31 March 2018. This increase was due to higher capital expenditure in respect of additions to property, plant and equipment of £0.7 million offset by lower capital expenditure in respect of additions to intangible assets of £1.4 million.

Cash flows from/(used in) financing activities

Cash flows used in financing activities decreased by £12.9 million, or 37% to £22.3 million in the six months ended 30 September 2020 from £35.2 million in the six months ended 30 September 2019, primarily due to redemption of preference shares in the six months ended 30 September 2019 of £35.0 million not recurring in the six months ended 30 September 2020 off-set by repayments of other borrowings of £10.1 million and higher finance expenses of £3.4 million.

Cash flows used in financing activities decreased by £25.3 million, or 37%, to £44.0 million in the year ended 31 March 2020 from £69.3 million in the year ended 31 March 2019. This decrease was primarily due to a £25.0 million reduction in cash used to redeem preference shares which was £35.0 million during the year ended 31 March 2020 compared to £60.0 million for the year ended 31 March 2019. Finance expenses and bank borrowing repayments remained broadly consistent period to period

Cash flows used in financing activities increased by £60.0 million, or 645%, to £69.3 million in the year ended 31 March 2019 from £9.3 million in the year ended 31 March 2018. This increase was primarily due to cash used to redeem preference shares of £60.0 million. Finance expenses and bank borrowing repayments remained broadly consistent period to period.

Capital expenditure

The table below presents a breakdown of the Group's capital expenditure for the periods indicated.

	Year ended 31 March			Six months ended
	(£m)			
	2018	2019	2020	30 September 2020
IT	5.0	8.2	8.7	4.1
Stores				
New	6.3	3.8	6.4	3.6
Refurbishment	1.9	2.3	2.0	0.2
Other[(1)]	3.2	2.8	4.9	0.3
Total	**16.4**	**17.1**	**21.9**	**8.2**

Note:

(1) Other capital expenditure is primarily related to property, plant and equipment purchases to increase capacity or efficiency of supply chain, and office expansion.

The most significant element of the Group's capital expenditure during the period under review was IT spend related to a new ERP system in EMEA in FY19 and the Americas in FY20 and the e-commerce platform upgrade. The Group opened 61 new stores with total capital expenditure of £16.5 million in the three years ended 31 March 2018, 2019 and 2020.

The Directors expect that capital expenditure will be approximately 3.0%—3.5% of revenue per annum in the medium term related to new stores, refurbishment of existing stores and investment in the Group's IT and supply chain.

Off-balance sheet arrangements

The Group generally does not use off-balance sheet arrangements.

Quantitative and Qualitative Disclosures about Market Risks

For a description of the Group's management of liquidity, credit, market, capital and foreign currency risks, see Note 28 of Section B of Part 9 (*Historical Financial Information*).

Critical Accounting Policies and Estimates

For a description of the Group's critical accounting judgements and key sources of estimation uncertainty, see Note 1 of Section B of Part 9 (*Historical Financial Information*).

Part 9

Historical Financial Information

Section A—Accountants' report on the Historical Financial Information

The Directors
Dr. Martens Limited
28 Jamestown Road
Camden
London NW1 7BY

11 January 2021

Dear Sirs

Doc Topco Limited

We report on the financial information section B of Part 9 for the years ended 31 March 2020, 2019, and 2018 and the six months ended 30 September 2020. This financial information has been prepared for inclusion in the registration document dated 11 January 2021 of Dr. Martens Limited (the "Company") on the basis of the accounting policies set out in paragraph 1. This report is required by item 18.3.1 of Annex 1 of the UK version of Commission Delegated Regulation (EU) 2019/980 and is given for the purpose of complying with that item and for no other purpose.

Save for any responsibility that may arise under Prospectus Regulation Rule 5.3.2R (2)(f) to any person as and to the extent there provided, to the fullest extent permitted by law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purposes of complying with item 1.3 of Annex 1 of the UK version of Commission Delegated Regulation (EU) 2019/980, consenting to its inclusion in the registration document.

We have not audited or reviewed the financial information for the six month period ended 30 September 2019 and accordingly do not express an opinion thereon.

Responsibilities

The Directors of the Company are responsible for preparing the financial information in accordance with International Financial Reporting Standards as adopted by the European Union.

It is our responsibility to form an opinion on the financial information and to report our opinion to you.

Basis of opinion

We conducted our work in accordance with Standards for Investment Reporting issued by the Auditing Practices Board in the United Kingdom. Our work included an assessment of evidence relevant to the amounts and disclosures in the financial information. It also included an assessment of significant estimates and judgments made by those responsible for the preparation of the financial information and whether the accounting policies are appropriate to the entity's circumstances, consistently applied and adequately disclosed.

We planned and performed our work so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial information is free from material misstatement whether caused by fraud or other irregularity or error.

Our work has not been carried out in accordance with auditing or other standards and practices generally accepted in other jurisdictions and accordingly should not be relied upon as if it had been carried out in accordance with those standards and practices.

Opinion

In our opinion, the financial information gives, for the purposes of the registration document dated 11 January 2021, a true and fair view of the state of affairs of Doc Topco Limited as at the dates stated and of its profits, cash flows and changes in equity for the periods then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

Declaration

For the purposes of item 1.2 of Annex 1 of the UK version of Commission Delegated Regulation (EU) 2019/980 we are responsible for this report as part of the registration document and declare that, to the best of our knowledge, the information contained in this report is in accordance with the facts and that the report contains no omission likely to affect its import. This declaration is included in the registration document in compliance with item 1.2 of Annex 1 of the UK version of Commission Delegated Regulation (EU) 2019/980.

Yours faithfully

Ernst & Young LLP

Section B—Historical Financial Information

Consolidated historical financial information as at and for the three years ended 31 March 2020, 31 March 2019 and 31 March 2018 and as at and for the six months ended 30 September 2020 and 30 September 2019

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	Notes	6 months ended 30 September 2020	(Unaudited) 6 months ended 30 September 2019	Year ended 31 March 2020	Year ended 31 March 2019	Year ended 31 March 2018
		£m	£m	£m	£m	£m
Revenue	2	**318.2**	**268.7**	**672.2**	**454.4**	**348.6**
Cost of sales		**(131.9)**	(113.5)	(270.7)	(193.8)	(162.6)
Gross profit		**186.3**	**155.2**	**401.5**	**260.6**	**186.0**
Selling and administrative expenses	3	**(121.5)**	(107.8)	(259.0)	(192.6)	(145.8)
Operating profit		**64.8**	**47.4**	**142.5**	**68.0**	**40.2**
EBITDA	2	**86.3**	**66.6**	**184.5**	**85.0**	**50.0**
Exceptional items	3	**(3.0)**	(3.7)	(12.0)	(5.2)	(1.8)
EBITDA (post exceptional items)		**83.3**	**62.9**	**172.5**	**79.8**	**48.2**
Depreciation, amortisation & forex gains/(losses)	3	**(18.5)**	(15.5)	(30.0)	(11.8)	(8.0)
Operating profit	3	**64.8**	**47.4**	**142.5**	**68.0**	**40.2**
Finance expense	5	**(22.9)**	(21.2)	(41.5)	(39.1)	(39.5)
Profit before income tax		**41.9**	**26.2**	**101.0**	**28.9**	**0.7**
Income tax expense	8	**(12.4)**	(8.9)	(26.2)	(11.7)	(6.4)
Profit/(loss) for the period/year attributable to the owners of the parent		**29.5**	**17.3**	**74.8**	**17.2**	**(5.7)**
Earnings per share						
Basic (pence)	9	**301p**	173p	748p	172p	–57p
Diluted (pence)	9	**301p**	173p	748p	172p	–57p

The total comprehensive income/(expense) for the period/year is entirely attributable to the owners of the parent company.

Reconciliation of EBITDA to EBITDA presented on an IAS 17 basis:						
EBITDA		**86.3**	**66.6**	**184.5**	**85.0**	**50.0**
Expenses under IAS 17*	4	(11.5)	(9.5)	(20.1)	—	—
EBITDA presented on an IAS 17 basis		**74.8**	**57.1**	**164.4**	**85.0**	**50.0**

* *Represents lease expense that would have been incurred if IAS17 had applied to the periods to 30 September 2020 and 30 September 2019 (unaudited), and the year ended 31 March 2020.*

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Notes	6 months ended 30 September 2020	(Unaudited) 6 months ended 30 September 2019	Year ended 31 March 2020	Year ended 31 March 2019	Year ended 31 March 2018
		£m	**£m**	**£m**	**£m**	**£m**
Profit/(loss) for the period/year		29.5	17.3	74.8	17.2	(5.7)
Other comprehensive income						
Items that may subsequently be reclassified to profit or loss						
Currency translation differences		**(2.1)**	2.9	2.7	3.1	(5.2)
Cash flow hedges		**(1.7)**	(0.9)	1.4	0.2	(0.2)
		(3.8)	2.0	4.1	3.3	(5.4)
Items that will not be reclassified to profit or loss						
Re-measurement of post employment benefit obligations	28	**—**	—	—	0.5	—
Tax relating to post employment benefit obligations	28	**—**	—	—	—	(0.3)
		—	—	—	0.5	(0.3)
Total comprehensive income/ (expense) for the period/year		**25.7**	**19.3**	**78.9**	**21.0**	**(11.4)**

The total comprehensive income/(expense) for the period/year is entirely attributable to the owners of the parent company.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	As at 30 September 2020	As at 31 March 2020	As at 31 March 2019	As at 31 March 2018
		£m	£m	£m	£m
Non-current assets					
Intangible assets	10	**259.8**	257.2	251.8	248.5
Property, plant and equipment	11	**31.4**	32.7	26.9	23.6
Right-of-use assets	11	**79.6**	82.0	—	—
Deferred tax assets	20	**7.4**	7.4	6.0	4.4
		378.2	379.3	284.7	276.5
Current assets					
Inventories	13	**128.0**	90.0	53.9	39.8
Trade and other receivables	14	**92.8**	68.2	53.1	43.1
Income tax assets		**0.8**	0.3	—	—
Derivatives and financial assets	19	**—**	1.5	0.1	—
Derivatives and financial assets	15	**4.2**	—	—	—
Cash and cash equivalents	15	**146.8**	117.2	58.4	86.4
		372.6	277.2	165.5	169.3
Total assets		**750.8**	656.5	450.2	445.8
Current liabilities					
Trade and other payables	16	**(141.8)**	(88.9)	(53.2)	(45.9)
Borrowings—Bank	17	**(20.0)**	(20.0)	(3.2)	(4.1)
—Lease liabilities	17	**(19.5)**	(21.8)	—	—
Provisions	18	**(0.8)**	—	(1.5)	—
Derivatives and financial liabilities	19	**(0.2)**	—	—	(0.1)
Income tax payable		**(1.2)**	—	(6.6)	(5.5)
		(183.5)	(130.7)	(64.5)	(55.6)
Non-current liabilities					
Trade and other payables	16	**—**	—	(5.7)	(2.9)
Borrowings—Bank	17	**(65.9)**	(74.3)	(71.1)	(72.6)
—Redeemable preference shares	17	**(330.1)**	(312.9)	(316.4)	(343.4)
—Lease liabilities	17	**(69.3)**	(66.6)	—	—
Provisions	18	**(1.6)**	(1.5)	(0.9)	(0.7)
		(466.9)	(455.3)	(394.1)	(419.6)
Total liabilities		**(650.4)**	(586.0)	(458.6)	(475.2)
Net assets/(liabilities)		**100.4**	70.5	(8.4)	(29.4)
Equity attributable to the owners of the parent					
Share capital	21	**—**	—	—	—
Share premium reserve	22	**—**	—	—	10.0
Hedging reserve	22	**(0.2)**	1.5	0.1	(0.1)
Capital reserve—own shares	22	**(0.6)**	—	—	—
Capital redemption reserve	22	**(165.8)**	(165.8)	(186.0)	—
Foreign currency translation reserve	22	**8.0**	10.1	7.4	4.3
Retained earnings	22	**259.0**	224.7	170.1	(43.6)
Total equity		**100.4**	70.5	(8.4)	(29.4)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share capital	Share premium	Hedging reserve	Capital reserve— own shares	Capital redemption reserve	Foreign exchange translation reserve	Retained earnings	Total equity
	£m	£m	£m	£m	£m	£m	£m	£m
At 1 April 2017	—	10.0	0.1	—	—	9.5	(37.6)	(18.0)
Comprehensive income								
Loss for the year	—	—	—	—	—	—	(5.7)	**(5.7)**
Other comprehensive expense	—	—	(0.2)	—	—	(5.2)	(0.3)	**(5.7)**
Total comprehensive expense for the year	—	—	(0.2)	—	—	(5.2)	(6.0)	**(11.4)**
At 31 March 2018	—	**10.0**	**(0.1)**	—	—	**4.3**	**(43.6)**	**(29.4)**
Comprehensive income								
Profit for the year	—	—	—	—	—	—	17.2	**17.2**
Other comprehensive income	—	—	0.2	—	—	3.1	0.5	**3.8**
Total comprehensive income for the year	—	—	0.2	—	—	3.1	17.7	**21.0**
Cancellation of Share Premium (note 21)	—	(10.0)	—	—	—	—	10.0	—
Capital redemption reserve creation (note 21)	—	—	—	—	(223.8)	—	223.8	—
Capital redemption reserve distributions (note 21)	—	—	—	—	37.8	—	(37.8)	—
At 31 March 2019	—	—	**0.1**	—	**(186.0)**	**7.4**	**170.1**	**(8.4)**
Comprehensive income								
Profit for the period	—	—	—	—	—	—	17.3	**17.3**
Other comprehensive income/(expense)	—	—	(0.9)	—	—	2.9	—	**2.0**
Total comprehensive income/(expense) for the period	—	—	(0.9)	—	—	2.9	17.3	**19.3**
At 30 September 2019 (unaudited)	—	—	**(0.8)**	—	**(186.0)**	**10.3**	**187.4**	**10.9**
Comprehensive income								
Profit for the period	—	—	—	—	—	—	57.5	**57.5**
Other comprehensive income/(expense)	—	—	2.3	—	—	(0.2)	—	**2.1**
Total comprehensive income/(expense) for the period	—	—	2.3	—	—	(0.2)	57.5	**59.6**
Capital redemption reserve distributions (note 21)	—	—	—	—	20.2	—	(20.2)	—
At 31 March 2020	—	—	**1.5**	—	**(165.8)**	**10.1**	**224.7**	**70.5**
Comprehensive income								
Profit for the period	—	—	—	—	—	—	29.5	**29.5**
Other comprehensive expense	—	—	(1.7)	—	—	(2.1)	—	**(3.8)**
Total comprehensive income/(expense) for the period	—	—	(1.7)	—	—	(2.1)	29.5	**25.7**
Own shares and other equity transactions	—	—	—	(0.9)	—	—	1.2	**0.3**
Share issues during the period	—	—	—	0.3	—	—	3.6	**3.9**
At 30 September 2020	—	—	**(0.2)**	**(0.6)**	**(165.8)**	**8.0**	**259.0**	**100.4**

The notes on pages 90 to 141 are an integral part of this historical financial information.

CONSOLIDATED STATEMENT OF CASH FLOWS

		6 months ended 30 September 2020	(Unaudited) 6 months ended 30 September 2019	Year ended 31 March 2020	Year ended 31 March 2019	Year ended 31 March 2018
		£m	**£m**	**£m**	**£m**	**£m**
Profit/(loss) after taxation		29.5	17.3	74.8	17.2	(5.7)
Add back: Income tax expense		**12.4**	8.9	26.2	11.7	6.4
Finance expense		**22.9**	21.2	41.5	39.1	39.5
Operating profit		**64.8**	47.4	142.5	68.0	40.2
Depreciation and amortisation		**18.4**	14.6	29.5	10.6	6.5
Loss on disposal of property, plant and equipment		—	—	—	—	0.1
Net foreign exchange rate (losses)/gains		**0.1**	0.9	0.9	1.9	(5.0)
Pension contributions in excess of charges		—	—	—	—	(0.4)
(Increase)/decrease in inventories		**(39.0)**	(64.1)	(36.1)	(14.1)	9.2
Increase in trade and other receivables		**(24.3)**	(9.8)	(16.6)	(10.0)	(4.5)
Increase in trade and other payables		**56.1**	27.2	35.7	11.7	5.4
Change in working capital		**(7.2)**	(46.7)	(17.0)	(12.4)	10.1
Cash flows from operating activities						
Cash generated from operations		**76.1**	16.2	155.9	68.1	51.5
Taxation paid		**(10.7)**	(19.5)	(34.5)	(12.1)	(5.5)
Cash generated from operating activities		**65.4**	(3.3)	121.4	56.0	46.0
Cash flows from investing activities						
Additions to intangible assets	10	**(4.6)**	(4.3)	(8.4)	(7.1)	(5.7)
Additions to property, plant and equipment	10	**(3.6)**	(5.1)	(13.5)	(10.0)	(10.7)
Other loans made		**(3.4)**	—	—	—	—
Cash used in investing activities		**(11.6)**	(9.4)	(21.9)	(17.1)	(16.4)
Cash flows from financing activities						
Finance expense		**(4.9)**	(1.6)	(5.4)	(5.2)	(5.3)
Preference share repayments		—	(35.0)	(35.0)	(60.0)	—
Bank borrowings drawn down		**9.3**	11.7	20.0	10.0	—
Repayments of amounts drawn down in relation to the above		**(9.3)**	—	—	(10.0)	—
Bank borrowings repayments		**(6.7)**	(0.8)	(3.2)	(4.1)	(4.0)
Payment of lease liabilities		**(10.7)**	(9.5)	(20.4)	—	—
Cash used in financing activities		**(22.3)**	(35.2)	(44.0)	(69.3)	(9.3)
Net increase/(decrease) in cash and cash equivalents		**31.5**	(47.9)	55.5	(30.4)	20.3
Cash and cash equivalents at beginning of period/year		**117.2**	58.4	58.4	86.4	67.2
Effect of exchange on cash held		**(1.9)**	1.9	3.3	2.4	(1.1)
Cash and cash equivalents at end of period/year		**146.8**	12.4	117.2	58.4	86.4

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

	6 months ended 30 September 2020	(Unaudited) 6 months ended 30 September 2019	Year ended 31 March 2020	Year ended 31 March 2019	Year ended 31 March 2018
	£m	£m	£m	£m	£m
EBITDA	**86.3**	66.6	184.5	85.0	50.0
Change in net working capital	**(8.9)**	(46.7)	(21.0)	(12.9)	10.3
Capital expenditure	**(8.2)**	(9.4)	(21.9)	(17.1)	(16.4)
Operating cash flow	**69.2**	10.5	141.6	55.0	43.9
Exceptional items	**(1.3)**	(3.7)	(8.0)	(4.7)	(1.8)
Pension contribution in excess of charge	**—**	—	—	—	(0.4)
Net interest paid	**(4.9)**	(1.6)	(5.4)	(5.2)	(5.3)
Payment of lease liabilities	**(10.7)**	(9.5)	(20.4)	—	—
Taxation	**(10.7)**	(19.5)	(34.5)	(12.1)	(5.5)
Net cash foreign exchange(1)	**(1.9)**	1.9	3.7	3.1	(7.7)
Free cash flow	**39.7**	(21.9)	77.0	36.1	23.2
Preference share redemption	**—**	(35.0)	(35.0)	(60.0)	—
Facilities drawn down	**9.3**	11.7	20.0	10.0	—
Repayments of amounts drawn down in relation to the above	**(9.3)**	—	—	(10.0)	—
Bank borrowings repayments	**(6.7)**	(0.8)	(3.2)	(4.1)	(4.0)
Other loans made	**(3.4)**	—	—	—	—
Net cash flow	**29.6**	(46.0)	58.8	(28.0)	19.2
Opening cash	**117.2**	58.4	58.4	86.4	67.2
Closing cash	**146.8**	12.4	117.2	58.4	86.4

(1) Including £1.9m loss for the period ended 30 September 2020 (Sep 19: £1.9m gain; Mar 20: £3.3m gain; Mar 19: £2.4m gain; Mar 18: £1.1m loss) relating to cash and the balance mainly relating to working capital.

	6 months ended 30 September 2020	(Unaudited) 6 months ended 30 September 2019	Year ended 31 March 2020	Year ended 31 March 2019	Year ended 31 March 2018
	£m	£m	£m	£m	£m
Proceeds from issue of shares	**4.2**	—	—	—	—
Restricted closing cash	**4.2**	—	—	—	—

1. Accounting policies

The principal accounting policies adopted in the preparation of the historical financial information are set out below. The policies have been consistently applied to the periods presented, unless otherwise stated. The exceptions to this statement are the application of IFRS 15, IFRS 9 and IFRIC 22 which all became effective on 1 January 2018 and were adopted by the Group from 1 April 2018 and the application of IFRS 16 and IFRIC 23 which became effective on 1 January 2019 and were adopted by the Group from 1 April 2019.

Amounts are presented in GBP and to the nearest million pounds (to one decimal place) unless otherwise noted.

1.1 Basis of preparation

The Historical Financial Information ("HFI") of the Group has been prepared in accordance with International Financial Reporting Standards as adopted by the European Union ("IFRS"). The Group's HFI has been prepared on a going concern basis under the historical cost convention, except for derivative financial instruments and pension scheme assets that have been measured at fair value. The HFI for the three years ended 31 March 2020, 31 March 2019 and 31 March 2018 and 6 months ended 30 September 2020 and 30 September 2019 (the "Historical Financial Information") has been prepared specifically for the purposes of this Prospectus and in accordance with the Prospectus Regulation (EU) 2017/1129, as supplemented by Commission Delegated Regulation (EU) 2019/980 as it forms part of retained EU law as defined in the EU (Withdrawal) Act 2018. This HFI does not constitute statutory accounts within the meaning of section 434(3) of the Companies Act 2006.

Employee Benefit Trust

The Group has an Employee Benefit Trust ("EBT"), Doc Topco Limited Employee Benefit Trust, for the purpose of facilitating the holding of shares in the Company for the benefit of employees of the Group throughout the periods presented. From time to time the Group recommended that the EBT acquires shares from or sells shares to, employees at a fair market value as determined by the periodic valuation of shares by a suitably qualified party.

The assets of the employee share trust are held by a separate trust, of which the Directors consider that Doc Topco Limited has de facto control. In accordance with IFRS, Accounting for ESOP Trusts and the substance of the transaction, the EBT's assets and liabilities are recognised in the Group's Statement of Financial Position.

Group consolidated historical financial information

The Group has applied IFRS as adopted by the EU in preparing the HFI. Certain amounts in the statement of profit or loss and the Statement of Financial Position have been grouped together for clarity, with their breakdown being shown in the notes to the HFI. The distinction presented in the Statement of Financial Position between current and non-current entries has been made on the basis of whether the assets and liabilities fall due within one year or more.

1.2 Going concern

The Historical Financial Information has been prepared on a going concern basis. The Directors' assessment is based on detailed trading and cash flow forecasts, including forecast liquidity and covenant compliance, for the period until the end of March 2022 (the "Forecast Period"). The going concern basis is dependent on the Group maintaining adequate levels of resources to continue to operate during the Forecast Period.

Operational and business impact of COVID-19

The year, 2020, has been dominated by COVID-19 and related restrictions which included the closure of all our stores in EMEA and the US from 16 March and Japan from end of March. The vast majority of stores were open by end of July and remained open through to 30 September 2020. In the post balance sheet period, following a resurgence of the virus in November and the resulting ongoing national and local government regulations for addressing COVID-19, certain of the Group's retail stores and wholesale customers' stores have been required to again close from time to time for different periods. In the period since stores initially closed in March, we have seen a significant increase in revenue from our e-commerce channel which has offset weak retail sales in the period. In addition, wholesale revenue has been robust, with many of our traditional bricksand-mortar customers also experiencing strong on-line shopping trends from their websites. To date we have maintained good availability of product throughout our supply chain.

When the nature of COVID-19 first became apparent in early 2020 we quickly engaged our Crisis Management Committee ("CMC") to coordinate a response across all our spheres of operation and share best practices, utilising our earlier experience of the impact of COVID-19 on our business and operations in China, Hong Kong and South Korea, which were all emerging from COVID-19, which had impacted these countries earlier than other geographies.

The Directors have prepared their detailed forecasts and plans taking into account their experience of trading in the period to December 2020, including the impact of COVID-19 on profitability, cash flows and covenant compliance. Trading to date identified that payments from Wholesale accounts have remained strong without any material increase in bad debts. Our distribution centres ("DC") currently remain operational while continuing to operate with appropriate social distancing and 'red team, blue team' shift system whereby neither shift would come into contact. Following the successful go-live of a second DC in the US, both EMEA and Americas have dual supply functionality to pick orders from either DC further reducing risk of supply picking delay.

The Directors continue to monitor the effects of COVID-19 on the business and will continue to react appropriately to further developments and the associated risks.

Liquidity and financing position

On 4 June 2020 we increased our revolving credit facility by £70.0 million to £105.0 million. As at 30 September 2020 we had cash of £146.8 million and unutilised facilities of £81.3 million. Existing bank loans were £67.8 million, of which £34.2 million is due for repayment during the Forecast Period and the balance is due for repayment in September 2022, and the existing revolving credit facility has a renewal date of October 2021. The £20.0 million drawn on the revolving credit facility as at 30 September 2020 was repaid in October 2020. Renewal of this facility has not been taken into account for the purpose of the going concern assessment.

Approach to stress testing, and mitigating actions

As part of the going concern assessment, the Directors have modelled a number of different scenarios, including a severe-but-plausible downside scenario. Given current economic uncertainties, including but not limited to the impact of COVID-19, the Directors' modelling of the severe-but-plausible scenario, as compared to the detailed forecasts, considers the potential impact of a generalised economic downturn across all three geographical regions and the extent to which this could adversely affect sales volumes and cash flows.

In all scenarios modelled, including the severe-but-plausible scenario, the Group continues to have satisfactory cash headroom throughout the Forecast Period. The severe-but-plausible downside scenario forecasts the breach of a financial covenant during the Forecast Period, with the scenario modelling the repayment of all outstanding bank debt from available cash resources as a result of this breach, with the Group continuing to have satisfactory cash headroom throughout the remainder of the Forecast Period.

Conclusion on going concern

In adopting the going concern basis for preparing the historical financial information, the Directors have considered the business activities as well as the principal risks and uncertainties faced by the business. Based on the Group's trading and cash flow forecasts, the Directors are satisfied that the Group will maintain adequate levels of resources to be able to continue to operate during the Forecast Period.

1.3 Adoption of new and revised standards

IFRS 9 Financial Instruments

IFRS 9 has replaced IAS 39 Financial Instruments: Recognition and Measurement, covering the classification, measurement and derecognition of financial assets and financial liabilities, together with a new hedge accounting model and the new expected credit loss model for calculating impairment. The standard has an effect date of 1 January 2018 and was adopted by the Group from 1 April 2018.

The new standard has the following effect on the Group's historical financial information:

- The Group's impairment provision on financial assets measured at amortised cost such as trade and other receivables has been calculated in accordance with IFRS 9's expected credit loss model, which differs from the incurred loss model previously required by IAS 39. The Group's history of low credit losses as a result of strong customer relationships and trade receivable controls and cash sales for retail and E-commerce channels indicates a low risk exposure for the portfolio looking forward, and as a result, no change to the provision value or opening balance within equity has been recognised.

- At the date of initial application, all of the Group's existing hedging relationships were eligible to be treated as continuing hedging relationships.
- The group has chosen to utilise the exemption allowing it not to restate comparative information with respect to classification and measurement change (including impairment) and the new hedge accounting requirements will be applied prospectively.

The classification and measurement requirements of IFRS 9 did not have a significant impact on the Group. The Group continued measuring all financial assets held at fair value.

Trade and other receivables and other non-current financial assets are held to collect contractual cash flows and give rise to cash flows representing solely payments of principal and interest. These are now classified and measured as Debt instruments at amortised cost.

The Group has not designated any financial liabilities as at fair value through profit or loss. There are no changes in classification and measurement for the Group's financial liabilities.

IFRS 15 Revenue from Contracts with Customers

IFRS 15 has replaced IAS 11 Construction Contracts, IAS 18 Revenue and related interpretations applies to all revenue arising from contracts with customers unless the contracts are within the scope of other standards. The new standard establishes a five-step model to account for revenue arising from contracts with customers. Under IFRS 15, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The standard has an effective date of 1 January 2018 and was adopted by the Group from 1 April 2018.

The Group has applied the standard using the modified retrospective method with the date of initial application of 1 April 2018. Under this method, the standard can be applied either to all contracts at the date of initial application or only to contracts that are not completed at this date. The Group elected to apply the standard to all contracts as at 1 April 2018.

IFRS 16 Leases

IFRS 16 was adopted by the Group on 1 April 2019. The new standard eliminates the classification of leases as either operating leases or finance leases and introduces a single lessee accounting model.

The main changes arising on adoption of IFRS 16 were as follows:

1. Borrowings and non-current assets increased on implementation of the standard as obligations to make future payments under leases previously classified as operating leases were recognised on the Statement of Financial Position, along with the related right-of-use ("ROU") assets. The Group has used practical expedients in respect of leases of less than 12 months duration and leases for low value items (i.e. below £5,000) and has excluded them from capitalisation under IFRS 16. Rental payments associated with the leases are recognised in the Statement of Profit or Loss on a straight-line basis over the life of the lease.
2. Operating lease costs have been replaced by depreciation and lease interest expense.
3. The adoption of IFRS 16 required the Group to make a number of judgements, estimates and assumptions. These included:
   - The approach to be adopted on transition—The Group used the modified retrospective transition approach. IFRS 16 does not allow comparative information to be restated if the modified retrospective transition approach is used. Lease liabilities were determined based on the present value of the remaining lease payments, discounted by the appropriate incremental borrowing rates and translated at the rates of exchange at the date of transition (1 April 2019). ROU assets were measured based on the related lease liability as at the date of transition, adjusted for prepaid or accrued lease payments.
   - The estimated lease term—The term of each lease was based on the original lease term unless management was "reasonably certain" to exercise options to extend the lease.

    - The discount rate used to determine the lease liability—The rates used on transition to discount future lease payments were the Group's incremental borrowing rates.

4. Foreign currency balances on lease obligations are remeasured at each Statement of Financial Position date with the ROU assets recognised at historic exchange rates.

For details of the impact on adoption of IFRS 16 please refer to note 26.

Other standards adopted

The following standards adopted in the HFI periods have not had a significant impact on the financial statements of the Group:

- IFRIC 23 'Uncertainty over Income Tax Treatments'—adopted 1 April 2019
- IFRIC 22 'Foreign Currency Transactions and Advance Consideration'—adopted 1 April 2018
- Amendments to IAS 7 'Statement of Cash Flows': Disclosure Initiative—adopted 1 April 2017
- Amendments to IAS 12 'Income Taxes': Recognition of Deferred Tax Assets for Unrealised Losses—adopted 1 April 2017

New standards and interpretations not yet applied

At the date of authorisation of the HFI, there were no standards and interpretations that are relevant to the Group, in issue but not yet effective.

Other standards and interpretations or amendments thereto which have been issued, but are not yet effective, are not expected to have a material impact on the Group's consolidated historical financial information.

1.4 Basis of consolidation

The consolidated historical financial information comprises the historical financial information of the Company and its subsidiaries as at the three years ended 31 March 2020, 31 March 2019 and 31 March 2018 and six month period ended 30 September 2020 and 30 September 2019. Control is achieved when the Group has rights to variable returns from its involvement with the investee and the ability to use its power over the investee to affect the amount of the investor's returns. Specifically, the Group controls an investee if, and only if, the Group has:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee
- The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement(s) with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the periods are included in the consolidated historical financial information from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of Other Comprehensive Income are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the historical financial information of subsidiaries to bring their accounting policies in line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity, while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value.

1.5 Employee Benefit Trust ("EBT")

Under accounting standard IFRS 10 "Consolidated Financial Statements", control for accounting purposes has a different test threshold than under a legal basis. The Company operates an EBT for the benefit of its employees and, during the period, sold shares at market value to certain individuals. The EBT is consolidated on the basis the parent has control, thus the assets and liabilities of the EBT are included on the Group Statement of Financial Position and shares held by the EBT in the Company are presented as a deduction from equity. The cash received is defined as restricted cash as the Company has no access, recourse or direction of that cash but is required to consolidate as restricted cash.

The Group has historically not consolidated the EBT. In the period ended 31 March 2020, the Group considered the position of the EBT and the Group in relation to IFRS 10, though the numbers were not material. On 25 September 2020 the EBT sold, at market value, £4m of shares to three managers and resulting in total restricted cash of £4.2m at 30 September 2020, such that further consideration of EBT accounting was required.

1.6 Revenue recognition

The Group's revenue arises from the sale of products to customers. Contracts with customers generally have one performance obligation. The Group has concluded that the revenue from the sale of products should be recognised at a point in time when control of the goods is transferred to the customer, which is dependent on the revenue channel. Revenue is recognised at the invoiced price less any associated discounts.

Control is passed to the customer on the following basis under each of the revenue channels as follows:-

- E-commerce channel: upon receipt of the goods by the customer.
- Retail channel: upon completion of the transaction.
- Wholesale channel: upon delivery of the goods or upon despatch to customer if the Company takes responsibility for delivery.

The payment terms across each of these revenue channels varies. The payments for retail are received at the transfer of control. E-commerce payments are mainly received in advance of transfer of control by less than one week as there is a timing difference between receipt of cash on order and receipt of goods by the customer. Wholesale customers pay on terms generally between 30 and 60 days.

Provisions for returned goods are calculated based on future expected levels of returns for each channel, assessed across a variety of factors such as historical trends, economic factors and other measures.

The Group performed the five-step model on each of these elements, identifying the contracts, the performance obligations, transaction price and then allocating this to determine the timing of revenue recognition. The revenue channels that have been separately assessed are as follows:

- Retail revenue
- E-Commerce revenue, including delivery charge income
- Wholesale revenue

For each of the revenue channels the timing of revenue recognition has had a minimal impact as a result of the adoption of IFRS 15. Adoption of the standard therefore did not have a material impact on the revenue recognised.

Some contracts for the sale of goods provide customers with a right of return and rebates. Before adopting IFRS 15, the Group recognised revenue from the sale of goods measured at the fair value of the consideration receivable, net of returns and rebates. Under IFRS 15, this now gives rise to variable consideration.

• *Rights of return*

When a contract provides a customer with a right to return, the Group previously estimated expected returns based on historic trends and recognised another payable. Under IFRS 15, the consideration is variable because the contract allows the customer to return the product. The Group used the expected value method to estimate the goods that will be returned and recognise a refund liability and an asset for the goods to be recovered.

• *Rebates*

Prior to adopting IFRS 15, the Group estimated rebates using the probability-weighted average amount of rebates approach. Under IFRS 15, rebates give rise to variable consideration. To estimate this the Group applies the 'most likely amount' method.

1.7 Intangible assets

Goodwill

Business combinations are accounted for by applying the acquisition method. Goodwill acquired represents the excess of the fair value of the consideration over the fair value of the identifiable net assets acquired.

After initial recognition, positive goodwill is measured at cost less any accumulated impairment losses. At the date of acquisition, the goodwill is allocated to cash generating units, usually at business segment level or statutory company level as the case may be, for the purpose of impairment testing and is tested at least annually for impairment. If any such indication exists, the assets' recoverable amount is estimated. For goodwill, the recoverable amount is estimated at each year end date and whenever there is an indication of impairment. On subsequent disposal or termination of a business acquired, the profit or loss on termination is calculated after charging the carrying value of any related goodwill. Negative goodwill is recognised directly in the Statement of Profit or Loss.

Software

Software is carried at cost less accumulated amortisation and any provision for impairment. Cost includes the original purchase price of the asset and the development costs incurred attributable to bringing the asset to its working condition for intended use. Additional costs in relation to the software are capitalised only so far as they fulfil the criteria of being separable intangible assets. These assets are considered to have finite useful lives, and are amortised on a straight-line basis over the expected useful economic life of each of the assets, which is considered to be three to seven years. The carrying value of intangible assets is reviewed for impairment whenever events or changes in circumstances indicate the carrying value may not be recoverable.

1.8 Property, plant and equipment

Property, plant and equipment is carried at cost less accumulated depreciation and provision for impairment. Depreciation is calculated to write down the cost of the assets less estimated residual value over its expected useful life as follows:

—Freehold properties	2% straight line method
—Leasehold land and buildings	2% straight line method or over the life of the lease
—Plant and machinery	15% straight line method
—Office and computer equipment	20% and 33⅓% straight line method

Any gain or loss arising on the de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the consolidated Statement of Profit or Loss in the period that the asset is derecognised.

1.9 Impairment

The carrying amounts of the Group's assets are reviewed at each year end date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amount is estimated. For goodwill and intangible assets that have an indefinite useful life and intangible assets that are not yet available for use, the recoverable amount is estimated at each year end date and whenever there is an indication of impairment. An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in the Statement of Profit or Loss in those expense categories consistent with the function of the impaired asset.

1.10 Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. As part of the measurement approach the discount rate applied is assessed based on the underlying asset that the lease relates to and the economic conditions of the geographical region that the lease asset is situated. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i) Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

- Leasehold buildings—3 to 15 years

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment. Refer to the accounting policies in section Impairment of non-financial assets.

ii) Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate.

Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the interest charge and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

The Group's lease liabilities are included in Interest-bearing loans and borrowings (note 17).

iii) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term.

iv) COVID-related rent concessions

In May 2020, the IASB issued COVID-19 Related Rent Concessions—Amendment to IFRS 16 Leases (the amendment). The Board amended the standard to provide an optional relief to lessees from applying IFRS 16's guidance on lease modification accounting for rent concessions arising as a direct consequence of the COVID-19 pandemic.

The Group has elected to apply the practical expedient which allows accounts for any qualifying change in lease payments resulting from the COVID-19 related rent concession to be treated the same way it would account for the change under IFRS 16 if the change were not a lease modification.

During the period ended 30 September 2020, the Group received £0.2m of rent concessions from landlords, which have been offset against operating expenses.

1.11 Operating leases (applicable to the year ended 31 March 2018 and 31 March 2019)

Operating leases are those where substantially all of the benefits and risks of ownership remain with the lessor. Rentals under operating leases are charged to the Statement of Profit or Loss on a straight-line basis over the period of the lease. Any lease incentives are spread over the life of the lease.

1.12 Inventories

Inventories are stated at the lower of cost and net realisable value. Inventories are valued at weighted average cost, including freight to warehouse and duty. Net realisable value is based on estimated selling price less any costs expected to be incurred to completion or disposal.

1.13 Finance expenses

Financial expenses consist of interest payable on various forms of debt. It is recognised in the Statement of Profit or Loss under the effective interest rate method.

1.14 Exceptional costs

Exceptional costs consist of material non-recurring items and items arising outside of the normal trading of the Group.

1.15 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax movement recognised. The tax currently payable is based on taxable profit. Taxable profit differs from net profit as reported in the Statement of Profit or Loss because it excludes items of income or expense that are taxable or deductible in other periods and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated by using tax rates that have been enacted or substantively enacted by the end of each reporting period.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amount of assets and liabilities in the historical financial information and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the Statement of Financial Position liability method. Deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction which affects neither the tax profit nor the accounting profit. Deferred tax liabilities are recognised for taxable temporary differences arising in investments in subsidiaries except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised, or the liability is settled. Deferred tax is charged or credited in the Statement of Profit or Loss, except when it relates to items credited or charged directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority, and the Group intends to settle its current tax assets and liabilities on a net basis.

1.16 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

1.17 Financial assets measured at amortised cost

Trade receivables are measured at amortised cost.

1.18 Trade and other receivables

Trade receivables are unconditional amounts of consideration receivable by the Group. Trade and other receivables are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue, and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment.

1.19 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and on demand deposits, and other short term, highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

1.20 Financial liabilities

The Company classifies all of its financial liabilities as liabilities at amortised cost.

Initial recognition

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments issued by the Group are recorded at the proceeds received, net of direct issue costs. Details of the Group's equity are included in note 21.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit or Loss.

1.21 Trade and other payables

Trade payables are obligations to pay for goods or services that have been acquired in the course of ordinary business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at fair value and subsequently held at amortised cost using the effective interest rate method.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated Statement of Financial Position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets, and settle the liabilities simultaneously.

1.22 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred, and subsequently carried at amortised cost using the effective interest rate method so that any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the Statement of Profit or Loss over the period of the borrowings. Details of the Group's borrowings are included in note 17.

1.23 Borrowing costs

The Group expenses borrowing costs in the period the costs are incurred. Where borrowing costs are attributable to the acquisition, construction or production of a qualifying asset, such costs are capitalised as part of the specific asset and amortised over the estimated useful life of the asset. Details of the Group's borrowings are included in note 17.

1.24 Foreign currency translation

The functional currency of each company in the Group is that of the primary economic environment in which the entity operates. Monetary assets and liabilities denominated in foreign currencies are translated into GBP at the rates of exchange ruling at the period-end. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to the statement of comprehensive income. On consolidation, the assets and liabilities of the Group entities that have a functional currency different from the presentation currency are translated into sterling at the closing rate at the date of that Statement of Financial Position. Income and expenses for each Statement of Profit or Loss are translated at average exchange rates for the period. Exchange differences are recognised in other comprehensive income.

1.25 Pension costs

Defined contribution pension schemes

For defined contribution schemes the amount charged to the Statement of Profit or Loss represents the contributions payable to the plans in the accounting period. Differences between contributions payable in the period and contributions actually paid are shown as either accruals or prepayments in the Statement of Financial Position.

Defined benefit pension scheme

The Group operates a defined benefit pension scheme, which requires contributions to be made to separately administered funds. The UK defined benefit scheme was closed to new members on 6 April 2002, from which time membership of a defined contribution plan was available. It was then closed to all future accrual for all existing members on 31 January 2006. No asset is recognised in the Statement of Financial Position in respect of defined benefit pension plans due to the uncertainty over future obligations. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension obligation. The value of a net pension benefit asset is restricted to the sum of any unrecognised past service costs and the present value of any amount the Group expects to recover by way of refunds from the plan or reductions in future contributions. Past-service costs are recognised immediately in income. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the Statement of Profit or Loss. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise.

1.26 Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received, and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as an expense on a systematic basis over the periods that the related costs and for which it is intended to compensate. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

During the period the Group received government grants in relation to employee costs as a result of COVID-19 pandemic. The Group subsequently repaid the UK furlough monies received in the early part of the pandemic. The repayment is presented net of the grants received.

1.27 Derivative financial instruments and hedging activities

The Group uses derivative financial instruments, foreign exchange forward contracts, to hedge its foreign currency risks. Such derivative financial instruments are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at fair value. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.

Assets and liabilities held at fair value are categorised into levels that have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).

- Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2). The fair value of hedges are calculated using quoted prices in relevant exchanges at the end of the reporting period. Where such prices are not available, Doc Topco Limited uses valuation models to determine the fair values based on relevant factors, including trade price quotations, time value and volatility factors and dealer quotations for similar currencies traded in different markets and geographical areas, existing at the end of the reporting period.
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

Derivative financial instruments consist of foreign exchange forward contracts, which are categorised within Level 2.

Trading derivatives are classified as a current asset or liability. The full fair value of a hedging derivative is classified as a non—current asset or liability if the remaining maturity of the hedged item is more than 12 months and as a current asset or liability if the maturity of the hedged item is less than 12 months. Foreign exchange forward contracts are recorded as a current asset and liability.

1.28 Derivative financial instruments and hedging activities (applicable to the year ended 31 March 2018)

The Group designates certain derivatives as either:

a) hedges of the fair value of recognised assets or liabilities or a firm commitment (fair value hedge);

b) hedges of a particular risk associated with a recognised asset or liability or a highly probable forecast transaction (cash flow hedge); or

c) hedges of a net investment in a foreign operation (net investment hedge).

The Group documents at the inception of the transaction the relationship between hedging instruments and hedged items, as well as its risk management objectives and strategy for undertaking various hedging transactions. The Group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in fair values or cash flows of hedged items. The fair values of various derivative instruments used for hedging purposes are disclosed in note 19. Movements on the hedging reserve in other comprehensive income are shown in the Statement of Comprehensive Income. The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining hedged item is more than 12 months, and as a current asset or liability when the remaining maturity of the hedged item is less than 12 months. From 1 April 2018 the documentation includes identification of the hedging instrument, the hedged item, the nature of the risk being hedged and how the Group will assess whether the hedging relationship meets the hedge effectiveness requirements (including the analysis of sources of hedge ineffectiveness and how the hedger ratio is determined).

A hedging relationship qualifies for hedge accounting if it meets all of the following effectiveness requirements:

- There is ‘an economic relationship’ between the hedged item and the hedged instrument.
- The effect of credit risk does not ‘dominate the value changes; that result from the economic relationship.
- The hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedge item that the Group actually hedges and the quantity of the hedging instrument that the Group actually uses to hedge that quantity of hedged item

Foreign exchange forward contracts derivatives

The Group has entered into a number of foreign exchange forward contracts to cover the foreign exchange risk associated with merchandise purchases in USD, and fix sterling price points using low risk treasury instruments.

Cash flow hedge

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income. The gain or loss relating to the ineffective portion is recognised immediately in the Statement of Comprehensive Income within ‘Other gains/(losses)—net’.

Amounts accumulated in equity are reclassified to profit or loss in the periods when the hedged item affects profit or loss (for example, when the forecast sale that is hedged takes place). However, when the hedged forecast transaction results in the recognition of a non-financial asset (for example, inventory or fixed assets), the gains and losses previously deferred in equity are transferred from equity and included in the initial measurement of the asset cost. The deferred amounts are ultimately recognised in cost of goods sold in the case of inventory, or in depreciation in the case of fixed assets. When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in the Statement of Profit or Loss. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately transferred to the Statement of Other Comprehensive Income within 'Other gains/(losses)—net'.

1.29 Capital reserves—own shares

Doc Topco Limited shares held by the Company and its Employee Benefit Trust ("EBT") are classified in shareholders' equity as "Capital reserve—own shares" and are recognised at cost. No gain or loss is recognised in the Statement of Profit or Loss on the purchase or sale of such shares.

1.30 Significant judgements and estimates

The preparation of the Group's HFI in conforming with IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts in the historical financial information. These judgements and estimates are based on management's best knowledge of the relevant facts and circumstances. However, the nature of estimation means that actual outcomes could differ from those estimates. Information about such judgements and estimation is contained in the accounting policies and/or notes to the HFI and the key areas are summarised below:

Key judgements

The following judgements have had the most significant effect on amounts recognised in the HFI:

Provisions for expected credit losses of trade receivables

Expected credit losses are calculated based on a combination of factors, including the ageing of the receivable balances, historical experience of groupings customer segments that have similar loss patterns, current credit status of the customer and forward looking information such as current economic conditions.

Determining the lease term of contracts with renewal and termination options—Group as lessee

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group has several lease contracts that include extension and termination options. The Group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customisation to the leased asset).

The Group included the renewal period as part of the lease term for leases of plant and machinery with shorter non-cancellable period (i.e., three to five years). The Group typically exercises its option to renew for these leases because there will be a significant negative effect on production if a replacement asset is not readily available. The renewal periods for leases of leasehold property with longer non-cancellable periods (i.e., 10 to 15 years) are not included as part of the lease term as these are not reasonably certain to be exercised. Furthermore, the periods covered by termination options are included as part of the lease term only when they are reasonably certain not to be exercised.

Inventory provisions

Inventory provisioning requires significant judgement on which inventory lines should be classed as obsolete. Inventory age, historic sales patterns and trading forecasts are used when classifying inventory lines to be provided against.

Corporation tax

There is significant judgement involved in determining the Group's corporation tax provision. There are transactions and calculations for which the ultimate tax determination is uncertain. The Group recognises liabilities for anticipated tax issues based on estimates to whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred tax assets and liabilities in the period in which the determination is made. Management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with an assessment of the effect of future tax planning strategies (see notes 8 and 20).

Key sources of estimation uncertainty and assumptions

The following estimates are dependent upon assumptions which could change in the future and have a material effect on the carrying amount of assets and liabilities recognised at the Statement of Financial Position date:

Carrying value of non-financial assets

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash generating unit's (CGU's) fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

Determining the carrying value of an asset or CGU requires the use of estimates of future cash flows and discount rates in order to calculate the present value of the cash flows. For details see note 10.

Retirement benefit liabilities

Determining the fair value of the defined benefit pension scheme, which relates to the pension of the Group, requires assumptions to be made by management and the Group's independent qualified actuary around the actuarial valuations of the scheme's assets and liabilities. For details see note 28.

Leases—Estimating the incremental borrowing rate

The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group 'would have to pay', which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when they need to be adjusted to reflect the terms and conditions of the lease (for example, when leases are not in the subsidiary's functional currency). The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the subsidiary's stand-alone credit rating). The IBR is reassessed when there is a reassessment of the lease liability or a lease modification.

2. Segmental analysis

IFRS 8 'operating segments' requires operating segments to be determined by the Group's internal reporting to the Chief Operating Decision Maker (CODM). The CODM has been determined to be the CEO and CFO, which receives information on this basis of the Group's revenue channels in key geographical regions based on the Group's management and internal reporting structure.

The CODM assesses the performance of geographical segments based on a measure of Revenue, EBITDA and EBITDA presented on an IAS 17 basis (applicable to period ended 30 September 2020 and year ended 31 March 2020 only). To increase transparency the Group has decided to include additional voluntary disclosure analysis of revenue within the different operating channels by regional segment.

	6 months ended 30 September 2020	(Unaudited) 6 months ended 30 September 2019	Year ended 31 March 2020	Year ended 31 March 2019	Year ended 31 March 2018
	£m	£m	£m	£m	£m
Revenue by geographical market					
EMEA[(1)]	**159.6**	123.3	287.9	195.1	149.6
Americas[(2)]	**102.6**	97.0	252.2	161.1	117.4
APAC	**56.0**	48.4	132.1	98.2	81.6
Total revenue	**318.2**	268.7	672.2	454.4	348.6

(1) Within EMEA is external revenue attributable to our home market (UK) of £143.8m for the period ended 30 September 2020 (Sep 19: £107.4m, Mar 20: £251.0m, Mar 19: £171.7m, Mar 18: £130.9m)

(2) Americas revenue is fully attributable to external revenue to USA, which is deemed to be the entity's only material individual foreign entity

	6 months ended 30 September 2020	(Unaudited) 6 months ended 30 September 2019	Year ended 31 March 2020	Year ended 31 March 2019	Year ended 31 March 2018
	£m	£m	£m	£m	£m
EBITDA by geographical market					
EMEA	**53.8**	34.0	92.4	39.5	22.7
Americas	**28.9**	28.9	75.4	33.0	18.5
APAC	**13.5**	11.1	35.5	23.7	19.3
Support costs	**(9.9)**	(7.4)	(18.8)	(11.2)	(10.5)
EBITDA	**86.3**	66.6	184.5	85.0	50.0
Exceptional items *(note 3)*	**(3.0)**	(3.7)	(12.0)	(5.2)	(1.8)
EBITDA (post exceptional items)	**83.3**	62.9	172.5	79.8	48.2
Depreciation and amortisation	**(6.7)**	(6.0)	(11.6)	(10.6)	(6.5)
Depreciation of ROU assets	**(11.7)**	(8.6)	(17.9)	—	—
Loss on disposal	**—**	—	—	—	(0.1)
Foreign exchange gains/(losses)	**0.1**	(0.9)	(0.5)	(1.2)	(1.4)
Operating profit	**64.8**	47.4	142.5	68.0	40.2

EBITDA (presented on an IAS 17 basis) can be analysed as follows:

Region	6 months ended 30 September 2020	(Unaudited) 6 months ended 30 September 2019	Year ended 31 March 2020	Year ended 31 March 2019	Year ended 31 March 2018
	£m	£m	£m	£m	£m
EMEA	**49.1**	29.6	82.0	39.5	22.7
Americas	**25.2**	25.6	68.6	33.0	18.5
APAC	**11.3**	10.0	32.6	23.7	19.3
Support costs	**(10.8)**	(8.1)	(18.8)	(11.2)	(10.5)
EBITDA (presented on an IAS 17 basis)	**74.8**	**57.1**	**164.4**	**85.0**	**50.0**

	6 months ended 30 September 2020	(Unaudited) 6 months ended 30 September 2019	Year ended 31 March 2020	Year ended 31 March 2019	Year ended 31 March 2018
	£m	**£m**	**£m**	**£m**	**£m**
Revenue by channel					
E-Commerce	**75.3**	37.9	136.4	72.7	43.6
Retail	**34.3**	64.5	165.2	126.7	97.1
Total DTC revenue	**109.6**	102.4	301.6	199.4	140.7
Wholesale	**208.6**	166.3	370.6	255.0	207.9
Total revenue	**318.2**	268.7	672.2	454.4	348.6

	At 30 September 2020	At 31 March 2020	At 31 March 2019	At 31 March 2018
	£m	**£m**	**£m**	**£m**
Non-current assets*				
UK	**293.5**	296.6	262.1	257.7
USA	**32.6**	32.7	6.4	4.7
Rest of world	**44.7**	42.6	10.2	9.7
Total non-current assets	**370.8**	371.9	278.7	272.1

* Non-current assets exclude deferred tax assets

3. Expenses analysis

Operating profit is stated after charging:

	6 months ended 30 September 2020	(Unaudited) 6 months ended 30 September 2019	Year ended 31 March 2020	Year ended 31 March 2019	Year ended 31 March 2018
	£m	**£m**	**£m**	**£m**	**£m**
Gross profit before adjusting and exceptional items	**186.3**	**155.2**	**401.5**	**260.6**	**186.0**
Selling and administrative expenses before exceptional items, less notional IAS 17 expenses	**(130.0)**	(113.6)	(267.1)	(187.4)	(144.0)
Operating profit before exceptional items, less notional IAS 17 expenses	**56.3**	**41.6**	**134.4**	**73.2**	**42.0**
Add back notional IAS 17 expenses *(note 4)*	**11.5**	9.5	20.1	—	—
Operating profit before exceptional items	**67.8**	**51.1**	**154.5**	**73.2**	**42.0**
Exceptional items	**(3.0)**	(3.7)	(12.0)	(5.2)	(1.8)
Operating profit	**64.8**	**47.4**	**142.5**	**68.0**	**40.2**
The selling and administrative expense are further analysed below:					
Staff costs *(note 7)*	**(48.7)**	(42.7)	(99.8)	(74.2)	(53.1)
Operating charges	**(62.8)**	(55.4)	(137.3)	(101.4)	(82.9)
	(111.5)	(98.1)	(237.1)	(175.6)	(136.0)
Depreciation and amortisation	**(6.7)**	(6.0)	(11.6)	(10.6)	(6.5)
Depreciation of ROU assets	**(11.7)**	(8.6)	(17.9)	—	—
Loss on disposal	**—**	—	—	—	(0.1)
Foreign exchange gains/(losses)	**(0.1)**	(0.9)	(0.5)	(1.2)	(1.4)
Depreciation, amortisation & forex gains/(losses)	**(18.5)**	(15.5)	(30.0)	(11.8)	(8.0)
Total expenses	**(130.0)**	**(113.6)**	**(267.1)**	**(187.4)**	**(144.0)**

30 September 2020 and 30 September 2019

Exceptional costs in the period were £3.0m (Sept19: £3.7m). Costs in the period were for consulting fees in relation to the Company's exploration and diligence associated with an exercise to review strategic options (Sept19: £nil). In addition, in the prior year, Sept19: £1.2m, there were charges in relation to the implementation of the new IT system, (with APAC build and rollout deferred to early 2021 following COVID pandemic.) September 2019 also includes costs for legal obligations and litigation of £1.9m, with the balance of £0.6m mainly other legal costs.

31 March 2020, 2019 and 2018

Exceptional costs in the year ended 31 March 2020 were £12.0m (Mar19: £5.2m; Mar18: £1.8m). In January 2017 the Group began a project to upgrade and replace all of its legacy IT systems with Microsoft Dynamics (D365) and in the year there was £2.2m (Mar19: £1.6m; Mar18: £0.8m) charges in relation to the implementation of the new IT system, with America going live in September 2019. Costs for legal obligations and litigation of £1.9m (Mar19: £1.5m) were charged and consulting fees in relation to the Company's exploration and diligence associated with an exercise to review strategic options, of £7.3m were incurred (Mar19: £nil; Mar18: £0.5m), with the balance of £0.6m (Mar19: £2.1m; Mar18: £0.5m) mainly other legal costs.

4. Expenses Under IAS 17

The Group adopted IFRS 16 "Leases" from 1 April 2019. The Group used the modified retrospective transition approach which does not allow comparative information to be restated.

To aid comparability, the Group presented the EBITDA to exclude the impact of the adoption of IFRS 16 ("EBITDA presented on an IAS 17 basis").

5. Finance expense

	6 months ended 30 September 2020	(Unaudited) 6 months ended 30 September 2019	Year ended 31 March 2020	Year ended 31 March 2019	Year ended 31 March 2018
	£m	**£m**	**£m**	**£m**	**£m**
Bank debt—net (cash)	**(3.1)**	(2.8)	(5.3)	(5.3)	(5.3)
Preference interest (non-cash)	**(17.2)**	(16.1)	(31.5)	(33.0)	(21.2)
Loan note interest (non-cash)	**—**	—	—	—	(12.3)
Interest on lease liabilities (non-cash)	**(1.9)**	(1.9)	(3.9)	—	—
Amortisation loan issue costs (non-cash)	**(0.7)**	(0.4)	(0.8)	(0.8)	(0.7)
Total financing expense	**(22.9)**	(21.2)	(41.5)	(39.1)	(39.5)

6. Directors' remuneration

The remuneration of Directors of the Company is set out below.

	6 months ended 30 September 2020	(Unaudited) 6 months ended 30 September 2019	Year ended 31 March 2020	Year ended 31 March 2019	Year ended 31 March 2018
	£m	**£m**	**£m**	**£m**	**£m**
Salaries and benefits	**1.5**	1.2	1.9	1.2	1.5
Pension costs	**—**	—	—	—	—

For the period ended 30 September 2020, the highest paid director received salaries and benefits of £881,000 (Sep19: £726,000; Mar20: £995,000; Mar19: £622,000; Mar18: £740,000). The highest paid director is not entitled to receive benefits under the defined benefits pension scheme and does not participate in a share option scheme or any other long-term incentive scheme. No retirement benefits are accruing to Directors under a defined contribution scheme.

7. Employee information

The average monthly number of employees (including directors) employed by the Company during the period was:

	FTE				
	6 months ended 30 September 2020	**(Unaudited) 6 months ended 30 September 2019**	**Year ended 31 March 2020**	**Year ended 31 March 2019**	**Year ended 31 March 2018**
	No.	**No.**	**No.**	**No.**	**No.**
EMEA	**650**	554	607	513	474
Americas	**398**	350	397	328	290
APAC	**333**	252	268	259	173
Global support functions	**339**	320	334	277	237
	1,720	1,476	1,606	1,377	1,174

	Average				
	6 months ended 30 September 2020	**(Unaudited) 6 months ended 30 September 2019**	**Year ended 31 March 2020**	**Year ended 31 March 2019**	**Year ended 31 March 2018**
	No.	**No.**	**No.**	**No.**	**No.**
EMEA	**1,047**	898	1,032	859	781
Americas	**526**	444	548	440	362
APAC	**367**	311	371	288	203
Global support functions	**323**	301	337	283	240
	2,263	1,954	2,288	1,870	1,586

The aggregate payroll costs of these employees charged in the Statement of Comprehensive Income was as follows

	6 months ended 30 September 2020	**(Unaudited) 6 months ended 30 September 2019**	**Year ended 31 March 2020**	**Year ended 31 March 2019**	**Year ended 31 March 2018**
	£m	**£m**	**£m**	**£m**	**£m**
Wages and salaries	**41.9**	37.2	87.5	65.4	46.1
Social security costs	**3.8**	3.0	6.7	4.9	3.7
Pension costs	**2.5**	2.1	4.8	3.4	2.8
Other post-employment benefits	**0.5**	0.4	0.8	0.5	0.5
	48.7	42.7	99.8	74.2	53.1

8. Taxation

	6 months ended 30 September 2020	(Unaudited) 6 months ended 30 September 2019	Year ended 31 March 2020	Year ended 31 March 2019	Year ended 31 March 2018
	£m	£m	£m	£m	£m
Current tax					
Current tax on UK profit for the period/ year	11.5	6.8	21.4	11.2	5.2
Adjustment in respect of prior period/ years[(1)]	**(0.8)**	—	—	(1.2)	—
Current tax on overseas profits for the period/year	**1.7**	3.1	6.2	3.3	3.3
	12.4	9.9	27.6	13.3	8.5
Deferred tax					
Origination and reversal of temporary differences	**(1.0)**	(1.1)	(1.5)	(1.2)	(0.5)
Adjustment in respect of prior period/ years[(1)]	**1.0**	0.1	0.1	(0.4)	(1.6)
	—	(1.0)	(1.4)	(1.6)	(2.1)
Total income tax expense in the Statement of Comprehensive Income	**12.4**	8.9	26.2	11.7	6.4
Other Comprehensive Income					
Current tax on UK profit for the period/ year	**—**	—	—	—	(0.1)
Total tax expense in the Statement of Comprehensive Income	**12.4**	8.9	26.2	11.7	6.3

	6 months ended 30 September 2020	(Unaudited) 6 months ended 30 September 2019	Year ended 31 March 2020	Year ended 31 March 2019	Year ended 31 March 2018
	£m	£m	£m	£m	£m
Factors affecting the tax expense for the year:					
Profit on ordinary activities before taxation	**41.9**	26.2	101.0	28.9	0.7
Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 19% (Sep19: 19%; Mar20: 19%; Mar19: 19%; Mar18: 19%)	**7.9**	5.0	19.2	5.5	0.1
Effects of:					
Non-deductible expenses[(2)]	**4.1**	3.2	6.0	6.8	7.0
Temporary differences not provided for	**—**	(0.3)	(0.3)	(0.1)	—
Adjustments in respect of prior periods[(1)]	**0.2**	0.1	0.1	(1.6)	(1.6)
Effect of change in tax rate	**(0.1)**	0.1	0.4	0.5	1.4
Foreign tax	**0.3**	0.5	0.9	0.5	—
Other adjustments	**—**	0.3	(0.1)	0.1	(0.6)
Total taxation expense	**12.4**	8.9	26.2	11.7	6.3

(1) Adjustments in respect of prior periods arise as a result of the finalization and submission of the final tax computations to HMRC in relation to a review of the anti-hybrid mismatch provisions and the application to the tax position of the Company.

(2) Non-deductible expenses delate to the disallowable amount of the preference shares interest and for the year, 31 March 2018, the disallowable proportion of the loan note.

Factors that may affect future tax charges

There have been a number of recent announcements made to the UK's main rate of corporation tax. The current rate of 19% with effect from 1 April 2017, with a further reduction to 17% subsequently enacted on 6 September 2016 and took effect from 1 April 2020. On 11 March 2020, the 2020 UK Budget reversed the reduction in the corporation tax rate from 19% to 17%. This reversal was substantively enacted on 17 March 2020 and therefore the UK main rate of corporation tax remains at 19%.

9. Earnings per share

The calculation of earnings per ordinary share is based on earning after tax and the weighted average number of ordinary shares in issue during the period/year.

Diluted earnings per ordinary share is calculated by dividing the profit attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares in issue during the period/year plus the weighted average number of ordinary shares that would have been issued on the conversion of all dilutive potential ordinary shares into ordinary shares.

	6 months ended 30 September 2020	**(Unaudited) 6 months ended 30 September 2019**	**Year ended 31 March 2020**	**Year ended 31 March 2019**	**Year ended 31 March 2018**
	£m	**£m**	**£m**	**£m**	**£m**
Basic Earnings per share	**301p**	173p	748p	172p	-57p
Diluted Earnings per share	**301p**	173p	748p	172p	-57p
Profit after tax attributable to equity holders of the parent company	**29.5**	17.3	74.8	17.2	(5.7)
Weighted average number of shares (millions)	**9.8**	10.0	10.0	10.0	10.0
Diluted weighted average number of shares (millions)	**9.8**	10.0	10.0	10.0	10.0

10. Intangible fixed assets

	Software £m	Goodwill £m	Total £m
Cost			
At 1 April 2017	**4.8**	**240.7**	**245.5**
Additions	5.7	—	**5.7**
Disposals	(0.2)	—	**(0.2)**
Foreign exchange	(0.3)	—	**(0.3)**
At 31 March 2018	**10.0**	**240.7**	**250.7**
Additions	7.1	—	**7.1**
Reclassifications to tangible fixed assets	(0.5)	—	**(0.5)**
At 31 March 2019	**16.6**	**240.7**	**257.3**
Additions	8.4	—	**8.4**
Foreign exchange	0.2	—	**0.2**
At 31 March 2020	**25.2**	**240.7**	**265.9**
Additions	4.6	—	**4.6**
Disposals	(1.0)	—	**(1.0)**
At 30 September 2020	**28.8**	**240.7**	**269.5**
Accumulated amortisation			
At 1 April 2017	**2.5**	**—**	**2.5**
Charge for the year	0.3	—	**0.3**
Disposals	(0.2)	—	**(0.2)**
Foreign exchange	(0.4)	—	**(0.4)**
At 31 March 2018	**2.2**	**—**	**2.2**
Charge for the year	3.4	—	**3.4**
Reclassifications to tangible fixed assets	(0.1)	—	**(0.1)**
At 31 March 2019	**5.5**	**—**	**5.5**
Charge for the year	3.2	—	**3.2**
At 31 March 2020	**8.7**	**—**	**8.7**
Charge for the year	2.0	—	**2.0**
Disposals	(1.0)	—	**(1.0)**
At 30 September 2020	**9.7**	—	**9.7**
Net book value			
At 30 September 2020	**19.1**	**240.7**	**259.8**
At 31 March 2020	16.5	240.7	**257.2**
At 31 March 2019	11.1	240.7	**251.8**
At 31 March 2018	7.8	240.7	**248.5**

Impairment assessment

The Group tests whether goodwill has suffered any impairment on an annual basis. The recoverable amount of a cash generating unit (CGU) is determined based on value-in-use calculations which requires the use of assumptions. The calculations use cash flow forecasts based on financial budgets approved by management covering a five-year period. Where the recoverable amount is less than the carrying value, an impairment result.

For the purposes of carrying out impairment tests, the Group's total goodwill has been allocated to a number of CGUs and each of these CGUs has been separately assessed and tested. The CGU's were agreed by the Directors as the geographical regions in which the Group operates. These regions are the lowest level at which goodwill is monitored and represents identifiable operating segments.

	As at 30 September 2020	As at 31 March 2020	As at 31 March 2019	As at 31 March 2018
	£m	**£m**	**£m**	**£m**
EMEA	**66.6**	**66.6**	66.6	66.6
Americas	**114.1**	**114.1**	114.1	114.1
APAC	**60.0**	**60.0**	60.0	60.0
	240.7	**240.7**	240.7	240.7

All CGUs were tested for impairment. No charge was made in the HFI periods.

Significant judgements, assumptions and estimates

All CGUs' recoverable amounts are measured using value in use. At each period end detailed forecasts for the following five years have been used, which are based on approved annual budgets and strategic projections representing the best estimate of future performance. Management consider forecasting over this period to appropriately reflect the business cycle of the CGU's.

There have been no changes to the composition of the Group's CGU's during the periods.

In determining the value in use of CGUs it is necessary to make a series of assumptions to estimate the present value of future cash flows. In each case, these key assumptions have been made by management reflecting past experience and are consistent with relevant external sources of information.

Operating cash flows

The main assumptions within forecast operating cash flow include the achievement of future growth in E-commerce, Retail and wholesale channels, sales prices and volumes (including reference to specific customer relationships and product lines), raw material input costs, the cost structure of each CGU, the impact of foreign currency rates upon selling price and cost relationships and the levels of maintenance capital expenditure required to support each sales channel.

Pre-tax risk adjusted discount rates

This rate reflects the specific risks relating to each segment and considers the countries and regions they operate in. This has been considered and for the Group has been calculated to be approximately 10% for all HFI periods. Pre-tax risk adjusted discount rates are derived from risk-free rates based upon long term government bonds in the territories and averaged for the Group.

Long term growth rates

To forecast beyond the detailed cash flows into perpetuity, a long-term average growth rate has been used. In each case rates up to 3.1% over the HFI periods have been used, in line with geographical forecasts included within industry reports.

Goodwill sensitivity analysis

The results of the Group's impairment tests are dependent upon estimates and judgements made by management, particularly in relation to the key assumptions described above. Sensitivity analysis to potential changes in key assumptions has therefore been reviewed and there are no reasonably possible changes to key assumptions that would cause the carrying amount for any CGU to exceed its recoverable amount.

11. Property, plant and equipment

	Freehold property	Leasehold	Plant and Machinery	Office equipment	Motor vehicles	Total
	£m	£m	£m	£m	£m	£m
Group						
Cost or valuation						
At 1 April 2017	**6.7**	**18.3**	**1.0**	**2.8**	**0.1**	**28.9**
Additions	0.1	9.3	0.5	0.8	—	**10.7**
Disposals	—	(1.3)	—	(0.2)	—	**(1.5)**
Foreign exchange	(0.6)	(1.1)	—	(0.1)	—	**(1.8)**
At 31 March 2018	**6.2**	**25.2**	**1.5**	**3.3**	**0.1**	**36.3**
Additions	0.4	7.0	0.9	1.7	—	**10.0**
Reclassifications between asset class	—	1.7	—	(1.7)	—	**—**
Reclassifications from intangible fixed assets	—	—	—	0.5	—	**0.5**
Foreign exchange	0.3	0.4	—	0.1	—	**0.8**
At 31 March 2019	**6.9**	**34.3**	**2.4**	**3.9**	**0.1**	**47.6**
Additions	—	10.4	1.1	2.0	—	**13.5**
Disposals(1)	(0.2)	(2.8)	(0.1)	(0.7)	—	**(3.8)**
Foreign exchange	0.2	1.7	0.1	—	—	**2.0**
At 31 March 2020	**6.9**	**43.6**	**3.5**	**5.2**	**0.1**	**59.3**
Additions	0.3	2.4	0.1	0.8	—	**3.6**
Disposals(1)	—	(0.5)	—	(0.4)	—	**(0.9)**
Foreign exchange	(0.1)	(0.1)	—	(0.1)	—	**(0.3)**
At 30 September 2020	**7.1**	**45.4**	**3.6**	**5.5**	**0.1**	**61.7**
Depreciation & impairment						
At 1 April 2017	**0.8**	**6.8**	**0.6**	**0.6**	**0.1**	**8.9**
Charge for the year	0.1	4.1	0.3	0.8	—	**5.3**
Imp airment(3)	—	0.9	—	—	—	**0.9**
Disposals	—	(1.2)	—	(0.2)	—	**(1.4)**
Transfers	—	(0.7)	—	0.7	—	**—**
Foreign exchange	(0.4)	(0.6)	—	—	—	**(1.0)**
At 31 March 2018	**0.5**	**9.3**	**0.9**	**1.9**	**0.1**	**12.7**
Charge for the year	0.1	4.9	0.3	1.1	—	**6.4**
Imp airment(3)	—	0.6	—	0.2	—	**0.8**
Reclassifications between asset class	—	0.8	—	(0.8)	—	**—**
Reclassifications from intangible fixed assets	—	—	—	0.1	—	**0.1**
Foreign exchange	0.2	0.4	—	0.1	—	**0.7**
At 31 March 2019	**0.8**	**16.0**	**1.2**	**2.6**	**0.1**	**20.7**
Charge for the year	0.1	5.7	0.5	1.5	—	**7.8**
Imp airment(3)	—	0.6	—	—	—	**0.6**
Eliminated on disposal(1)	(0.2)	(2.8)	(0.1)	(0.7)	—	**(3.8)**
Foreign exchange	0.2	0.9	—	0.2	—	**1.3**
At 31 March 2020	**0.9**	**20.4**	**1.6**	**3.6**	**0.1**	**26.6**
Charge for the year	0.1	3.6	0.4	0.6	—	**4.7**
Eliminated on disposal(2)	—	(0.5)	—	(0.4)	—	**(0.9)**
Foreign exchange	(0.1)	0.1	—	(0.1)	—	**(0.1)**
At 30 September 2020	**0.9**	**23.6**	**2.0**	**3.7**	**0.1**	**30.3**
Net book value						
At 30 September 2020	**6.2**	**21.8**	**1.6**	**1.8**	**—**	**31.4**
At 31 March 2020	6.0	23.2	1.9	1.6	—	**32.7**
At 31 March 2019	6.1	18.3	1.2	1.3	—	**26.9**
At 31 March 2018	5.7	15.9	0.6	1.4	—	**23.6**

(1) Disposals represent assets that had a £nil net book value and were therefore written off during the year

(2) The group carried out a physical verification of assets during the period and identified assets with a total net book value that were no longer in physical existence but remained on the assets register. These assets were therefore written off during the period to £nil net

(3) An impairment exists when the carrying value of an asset exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. During the period an impairment of £nil (Mar 20: £0.6m, Mar 19: £0.8m, Mar 18: £0.9m) was recognised for certain retail store assets where the carrying amount of the asset exceeded its value in use over the next five years. The remaining value in use for the above impaired assets was deemed to be £nil (Sep 19: £nil, Mar 20: £nil, Mar 19: £nil, Mar 18: £nil)

Set out below are the carrying amounts of right-of-use assets recognised and the movements during this period:

	Leasehold £m
Cost or valuation	
At 31 March 2019	—
Adoption of IFRS 16 (note 26)	80.6
Additions	18.8
Modification of leases	0.5
At 31 March 2020	**99.9**
Additions	10.0
Modification of leases	—
Foreign exchange	(0.7)
At 30 September 2020	**109.2**
Depreciation & impairment	
At 31 March 2019	
Charge for the year	17.9
At 31 March 2020	**17.9**
Charge for the year	10.6
Impairment(1)	1.1
At 30 September 2020	**29.6**
Net book value	
At 30 September 2020	**79.6**
At 31 March 2020	82.0
At 31 March 2019	—
At 31 March 2018	—

(1) During the period to September 2020 recognised impairment changes on right-of-use assets (shown above in depreciation of £16m in relation to two stores which have future cash flows lower than the value of the ROU asset and one closed store that the Group still held a lease on (Mar 20: £nil))

Impairment of property, plant and equipment and right-of-use assets

For impairment testing purposes, the Group has determined that each retail store is a separate CGU. Each CGU is tested for impairment at the balance sheet date if any indicators of impairment have been identified.

Significant judgements, assumptions and estimates

All CGUs' recoverable amounts are measured using value in use. At each reporting period end, detailed forecasts for the following five years have been used, which are based on approved annual budgets and strategic projections representing the best estimate of future performance. Management consider forecasting over this period to appropriately reflect the business cycle of the CGU's.

There have been no changes to the composition of the Group's CGU's during the periods.

In determining the value in use of CGUs it is necessary to make a series of assumptions to estimate the present value of future cash flows. In each case, these key assumptions have been made by management reflecting past experience and are consistent with relevant external sources of information.

Operating cash flows

The main assumptions within forecast operating cash flow include the achievement of future growth in E-commerce, Retail and wholesale channels, sales prices and volumes (including reference to specific customer relationships and product lines), raw material input costs, the cost structure of each CGU, the impact of foreign currency rates upon selling price and cost relationships and the levels of maintenance capital expenditure required to support each sales channel.

Pre-tax risk adjusted discount rates

This rate reflects the specific risks relating to each segment and considers the countries and regions they operate in. This has been considered and for the Group has been calculated to be approximately 10% for all HFI periods. Pre-tax risk adjusted discount rates are derived from risk-free rates based upon long term government bonds in the territories and averaged for the Group.

Sensitivity analysis

The results of the Group's impairment tests are dependent upon estimates and judgements made by management, particularly in relation to the key assumptions described above. Sensitivity analysis to potential changes in key assumptions has therefore been reviewed and there are no reasonably possible changes to key assumptions that would cause the carrying amount for any CGU to exceed its recoverable amount.

12. Investments

Companies Act 2006 requires the registered address and principal place of business of each subsidiary undertaking to be disclosed. These are shown in the footnotes below the table. The financial performance and financial position of these undertakings have been consolidated:

Name	Country of registration	Class of share capital held	Nature of investment Direct	Nature of investment Indirect	Nature of business
Airwair International Limited[(1)]	England and Wales	£1 Ordinary shares	—	100%	Footwear retail and distribution
Dr Martens Airwair USA LLC[(2)]	USA	Capital of no par value	—	100%	Footwear retail and distribution
Dr Martens Airwair (Zhuhai) Company Limited[(3)]*	China	Ordinary	—	100%	Manufacturing support
Dr Martens Airwair Hong Kong Limited[(4)]	Hong Kong	Ordinary	—	100%	Footwear retail and distribution
Dr Martens Airwair Korea Limited[(5)]	Korea	Ordinary	—	100%	Footwear retail and distribution
Dr Martens Airwair Japan KK[(6)]	Japan	Ordinary	—	100%	Footwear retail and distribution
Dr Martens Airwair Belgium N.V[(7)]	Belgium	Ordinary	—	100%	Footwear retail and distribution
Dr Martens Airwair France S.A.S[(8)]	France	Ordinary	—	100%	Footwear retail and distribution
Dr Martens Netherlands B.V[(9)]	Netherlands	Ordinary	—	100%	Footwear retail and distribution
Doc Debtco Limited[(1)]	England and Wales	£1 Ordinary shares	100%	—	Management company
Doc Midco Limited[(1)]	England and Wales	£1 Ordinary shares	—	100%	Management company
Doc Bidco Limited[(1)]	England and Wales	£1 Ordinary shares	—	100%	Management company
Dr Martens Airwair Group Limited[(1)]	England and Wales	Ordinary shares	—	100%	Management company
Airwair (1994) Limited[(1)]	England and Wales	£1 Ordinary shares	—	100%	Management company
Airwair (1996) Limited[(1)]	England and Wales	£1 Ordinary shares	—	100%	Management company
GFM Trademarks GmbH[(10)]	Germany	DM1 Ordinary shares	—	50%	Trademark registration
Airwair Property Limited[(1)]	England and Wales	£1 Ordinary shares	—	100%	Property Investment
Airwair Limited[(1)]	England and Wales	£1 Ordinary shares	—	100%	Management company
Dr Martens Airwair (Ireland) Limited[(11)]	Republic of Ireland	Ordinary	—	100%	Footwear retail and distribution
DM Germany GmbH[(12)]	Germany	Ordinary	—	100%	Footwear retail and distribution
DM Sweden AB[(13)]	Sweden	Ordinary	—	100%	Footwear retail and distribution
Dr Martens Italy SRL[(14)]	Italy	Ordinary	—	100%	Footwear retail and distribution
Shanghai Airwair Trading Ltd[(15)]	China	Ordinary	—	100%	Footwear retail and distribution
Dr Martens Airwair Spain S.L.U[(16)]	Spain	Ordinary	—	100%	Footwear retail and distribution
Dr Martens Sports & Leisure Limited[(1)]	England and Wales	£1 Ordinary shares	—	100%	Dormant

Name	Country of registration	Class of share capital held	Nature of investment Direct	Indirect	Nature of business
Dr Martens Airwair Singapore PTE Limited(17)	Singapore	Ordinary	—	100%	Dormant
Dr Martens Airwair & Co Limited(1)	England and Wales	£1 Ordinary shares	—	100%	Dormant
Dr Martens Dept. Store Limited(1)	England and Wales	£1 Ordinary shares	—	100%	Dormant
Dr Martens Limited(1)	England and Wales	£1 Ordinary shares	—	100%	Dormant

*** The financial year of this entity ends on 31 December in line with local requirements.**

(1) Cobbs Lane, Wollaston, Northamptonshire, England, NN29 7SW

(2) 10 Northwest, 10th Avenue, Portland, Oregon, USA, 97209

(3) No. 05, F28. Seat B, No. 2021, Jiuzhou Avenue West, Zhuhai 519000, China

(4) Unit 2306-11, 23F, Sun Life Tower, The Gateway Tower 5, Habour City, 15 Canton Road, Tsim Sha Tsui, Hong Kong

(5) 1F, Yanghwa-ro 10-gil 45, Mapo-gu, Seoul, South Korea,

(6) 5-2-28 Jingumae, Shibuya, Tokyo, Japan 150-0001

(7) Square De L'Atomium 1 b165, 102 Brussels, Belgium

(8) 36 Rue Des Petits Champs, 75002, Paris, France

(9) Luna Arena, Herikerberweg 238, Amsterdam, 1101 CM, Netherlands

(10) An Der Arch 3, 82402, Bayern, Germany

(11) Kilmore House, Park Lane, Spencer Dock, Dublin, Ireland D01 YE64

(12) Thurn-und-Taxis-Platz 6, 60313 Frankfurt am Main, Germany

(13) Blekingegatan 48, 116 62 Stockholm, Sweden

(14) Milano (MI) Corso, Vercelli 40 CAP 20145

(15) No. 101-217, Floor 1, No. 5 Building, Alley 128, Linhong Road, Changning District, Shanghai

(16) C/ Principe de Vergara, 112, 4 floor, 28002, Madrid

(17) 77 Robinson Road, 13-00 Robinson 77, Singapore 068896

13. Inventories

	As at 30 September 2020	As at 31 March 2020	As at 31 March 2019	As at 31 March 2018
	£m	£m	£m	£m
Raw materials	**1.0**	0.7	1.0	0.8
Finished goods	**127.0**	89.3	52.9	39.0
	128.0	90.0	53.9	39.8

	As at 30 September 2020	As at 31 March 2020	As at 31 March 2019	As at 31 March 2018
	£m	£m	£m	£m
Inventory provision	**2.8**	2.8	3.1	3.6
Inventory written off to Income Statement	**0.7**	1.5	—	0.8

14. Trade and other receivables

	As at 30 September 2020	As at 31 March 2020	As at 31 March 2019	As at 31 March 2018
	£m	**£m**	**£m**	**£m**
Trade receivables	**78.7**	57.8	41.6	30.4
Less: provision for impairment	**(2.1)**	(2.3)	(0.8)	(0.7)
Trade receivables—net	**76.6**	55.5	40.8	29.7
Other receivables	**11.2**	9.2	8.1	7.0
	87.8	64.7	48.9	36.7
Prepayments and accrued income	**5.0**	3.5	4.2	6.4
	92.8	68.2	53.1	43.1

All trade and other receivables are expected to be recovered within 12 months of the year end date. The fair value of trade and other receivables is the same as the carrying values shown above. The carrying value of trade receivables represents the maximum exposure to credit risk. For some trade receivables the Group may obtain security in the form of guarantees, insurances, mortgages or letters of credit which can be called upon if the counterparty is in default under the terms. As at 30 September 2020 the amount of security held was £0.7m (Mar20: £0.9m; Mar19: £0.5m; Mar18: £1.0m).

As at 30 September 2020 trade receivables of £1.4m (Mar20: £2.7m; Mar19: £2.8m; Mar18: £0.6m) were due over 90 days. Trade receivables are reviewed on a line by line basis with consideration given to specific circumstances and credit history when calculating the provision. The ageing analysis of these receivables is as follows:

	As at 30 September 2020	As at 31 March 2020	As at 31 March 2019	As at 31 March 2018
	£m	**£m**	**£m**	**£m**
Over 90 days	**1.4**	2.7	2.8	0.6

As at 30 September 2020 trade receivables of £2.1m (Mar20: £2.3m; Mar19: £0.8m; Mar18: £0.7m) were impaired. The amount of the bad debt provision was £2.1m (Mar20: £2.3m; Mar19: £0.8m; Mar18: £0.7m). The individually impaired receivables relate mainly to accounts which are outside the normal credit terms. The ageing analysis of these receivables is as follows:

	As at 30 September 2020	As at 31 March 2020	As at 31 March 2019	As at 31 March 2018
	£m	**£m**	**£m**	**£m**
Up to 60 days	**1.2**	0.3	0.2	0.2
60 to 90 days	**0.1**	—	—	—
Over 90 days	**0.8**	2.0	0.6	1.3
Bad debt provision	**2.1**	2.3	0.8	1.5
At 1 April	**2.3**	0.8	0.7	0.9
Provision for receivable impairment	**—**	1.5	0.1	—
Release of receivable impairment	**(0.2)**	—	—	(0.2)
	2.1	2.3	0.8	0.7

The carrying amount of the Group's trade and other receivables are denominated in the following currencies:

	As at 30 September 2020	As at 31 March 2020	As at 31 March 2019	As at 31 March 2018
	£m	**£m**	**£m**	**£m**
UK Sterling	**4.6**	3.8	3.5	4.3
Euro	**8.8**	5.2	5.3	4.6
US Dollar	**55.8**	33.4	19.9	15.1
Japanese Yen	**3.9**	6.5	7.1	4.3
Other currencies	**3.5**	6.6	5.0	1.4
	76.6	55.5	40.8	29.7

15. Cash and cash equivalents

	As at 30 September 2020	As at 31 March 2020	As at 31 March 2019	As at 31 March 2018
	£m	£m	£m	£m
Cash and cash equivalents	**146.8**	117.2	58.4	86.4
Cash held by the Employee Benefit Trust (restricted)	**4.2**	—	—	—
	151.0	117.2	58.4	86.4

The Company operates an EBT for the benefit of its employees and, during the period, sold shares at market value to certain individuals. The EBT is consolidated on the basis the parent has control, however the cash is defined as restricted cash as the Company has no access, recourse or direction of that cash but is required to consolidate as restricted cash.

16. Trade and other payables

	As at 30 September 2020	As at 31 March 2020	As at 31 March 2019	As at 31 March 2018
	£m	£m	£m	£m
Current				
Trade payables	**83.5**	33.4	20.0	19.6
Taxes and social security costs	**3.8**	3.8	1.7	2.7
Other payables	**4.4**	5.4	5.6	4.0
Bank interest and finance charges	**0.4**	0.1	0.2	0.1
	92.1	42.7	27.5	26.4
Accruals and deferred income	**49.7**	46.2	25.7	19.5
	141.8	88.9	53.2	45.9
Non-current				
Other payables	**—**	—	—	0.2
Accruals and deferred income	**—**	—	5.7	2.7
			5.7	2.9

All trade and other payables are expected to be settled within 12 months of the year end date. The fair value of trade and other payables is the same as the carrying values shown above.

At 30 September 2020, other payables consisted of £4.2m (Mar20: £5.4m; Mar19: £4.3m; Mar18: £2.5m) in relation to employment related payables.

17. Borrowings

	As at 30 September 2020	As at 31 March 2020	As at 31 March 2019	As at 31 March 2018
	£m	£m	£m	£m
Current				
RCF loans	**20.0**	10.7	—	—
Bank overdraft	**—**	9.3	—	—
Facilities drawn	**20.0**	20.0	—	—
Bank loans *(including unamortised fees)*	**—**	—	3.2	4.1
Lease liabilities (note 26)	**19.5**	21.8	—	—
Total current interest bearing loans and borrowings	**39.5**	41.8	3.2	4.1
Non-current				
Bank loans *(including unamortised fees)*	**65.9**	74.3	71.1	72.6
Lease liabilities (note 26)	**69.3**	66.6	—	—
Redeemable preference				
'A' shares	**55.7**	54.0	57.2	64.9
'B' shares	**274.4**	258.9	259.2	278.5
Total Redeemable preference shares	**330.1**	312.9	316.4	343.4
Total non-current	**465.3**	453.8	387.5	416.0
Total borrowings	**504.8**	495.6	390.7	420.1
Split of above:				
Current bank loans	**—**	—	3.2	4.1
Non-current bank loans	**65.9**	74.3	71.1	72.6
Total net bank loans *(including unamortised fees)*	**65.9**	74.3	74.3	76.7
Add back unamortised fees	**1.9**	0.5	1.3	2.1
Total gross bank loans	**67.8**	74.8	75.6	78.8
Total net bank loans *(including unamortised fees)*	**65.9**	74.3	74.3	76.7

On 5 July 2018 the Company redeemed £50.0m of preference shares in relation to £9.3m on A shares and £40.7m of B shares. On 31 October 2018, a further £10.0m of preference shares were redeemed in relation to £1.8m of A shares and £8.2m of B shares. The aggregate of £60.0m consisted of £10.0m of share premium, £37.8m of preference share capital repayments and £12.2m of accrued interest. On 3 June 2019 the Company redeemed £35.0m of preference shares in relation to £6.3m on A shares and £28.7m on B shares. The total of £35.0m consisted of £20.2m of principal repayments and £14.8m of accrued interest.

The carrying values of the Group's total borrowings are denominated in the following currencies:

	As at 30 September 2020	As at 31 March 2020	As at 31 March 2019	As at 31 March 2018
	£m	£m	£m	£m
RCF loans	**20.0**	10.7	—	—
Bank overdraft	**—**	9.3	—	—
Facilities drawn	**20.0**	20.0	**—**	—
UK GBP	**24.5**	27.0	30.2	34.4
Total GBP bank loans	**44.5**	47.0	30.2	34.4
Euro	**20.2**	21.8	21.0	21.3
Hong Kong Dollar	**11.7**	13.3	12.6	11.7
Japanese Yen	**11.4**	12.7	11.8	11.4
Total Bank loans	**67.8**	74.8	75.6	78.8
Total Bank loans and facilities	**87.8**	94.8	75.6	78.8
UK GBP—A Preference Shares	**55.7**	54.0	57.2	64.9
—B Preference Shares	**274.4**	258.9	259.2	278.5
Redeemable preference shares	**330.1**	312.9	316.4	343.4
Total Borrowings	**417.9**	407.7	392.0	422.2
Memo: Total UK GBP	**374.6**	359.9	346.6	377.8

Loan repayments will occur as follows:

	Repayment due (£m)		
Year to 30 September	**B Loan**	**C Loan**	**Total**
2022	34.0	33.8	**67.8**
Total	**34.0**	**33.8**	**67.8**

Interest is chargeable on these loans at the following amounts:

	Total	Base rate	Margin
	£m		%
Bank loan B	10.9	LIBOR	4.75
Bank loan B *(Hong Kong Dollar)*	11.7	HIBOR	4.75
Bank loan B *(Japanese Yen)*	11.4	LIBOR JPY	4.75
Bank loan C *(Euro)*	20.2	EURIBOR	5.25
Bank loan C	13.6	LIBOR	5.25
Total loans before unamortised fees	67.8		

These shares are unsecured:

	As at 30 September 2020	As at 31 March 2020	As at 31 March 2019	As at 31 March 2018
	£m	£m	£m	£m
Redeemable preference 'A' shares	**55.7**	54.0	57.2	64.9
Redeemable preference 'B' shares	**274.4**	258.9	259.2	278.5
	330.1	312.9	316.4	343.4

Bank loans

	As at 30 September 2020	As at 31 March 2020	As at 31 March 2019	As at 31 March 2018
	£m	£m	£m	£m
Revolving credit facility utilisation				
RCF loans	**20.0**	10.7	—	—
Bank overdraft	**—**	9.3	—	—
Guarantees	**2.3**	2.2	1.8	1.7
Foreign exchange hedging contracts	**1.4**	0.2	1.2	0.6
Total utilised facility	**23.7**	22.4	3.0	2.3
Available facility (unutilised)	**81.3**	12.6	32.0	32.7
Total revolving facility	**105.0**	35.0	35.0	35.0
	%	%	%	%
Interest rate charged on unutilised facility	**1.40**	1.40	1.40	1.40

The bank loans are secured by a fixed and floating charge over all assets of the Group. Bank Loan C is subject to a minimum LIBOR/EURIBOR floor of 1.5%.

On 4 June 2020, the Group received consent to increase its working capital facility by £70.0m to £105.0m, funded from certain existing lenders and two new lenders. All key terms remain unchanged, with the renewal date remaining October 2021.

Loan notes (applicable for FY18)

The Loan notes were issued in multiples of £1 and carry interest of 12% per annum (fixed for life of the loan), charged annually and are unsecured. On 1 January 2018, as a result of the enactment of new hybrid mismatch rules in the UK on the 15 September 2017 which gave rise to restrictions on the deductibility of certain UK interest payments in relation to loan notes and would also increase the administrative burden associated with these notes, the loan notes were capitalised for the issue of further Redeemable preference 'B' shares. At 31 March 2018 £nil interest was accrued into the notes.

Fair value measurement

The fair value of the items classified as loans and borrowings is shown above. The carrying amount and fair values of borrowings are deemed to be approximately equal.

Redeemable preference shares

Interest charged during the periods on redeemable preference shares is as follows:

	Rate	6 months ended 30 September 2020	(Unaudited) 6 months ended 30 September 2019	Year ended 31 March 2020	Year ended 31 March 2019	Year ended 31 March 2018
		£m	£m	£m	£m	£m
Redeemable preference 'A' shares	*6%*	**1.6**	1.5	3.1	3.4	3.7
Redeemable preference 'B' shares	*12%*	**15.6**	14.6	28.4	29.6	17.5
		17.2	16.1	31.5	33.0	21.2

The preference share interest accrues but is not payable until redemption of the preference shares except as otherwise set out in the articles or if the Board so resolves.

For details of allotted, called up and fully paid preference shares and information regarding preference share redemptions, refer to note 21.

Movements in bank loans and preference shares

	1 April 2020	Cash flows—repayment of capital	Cash flows—repayment of interest	Foreign exchange movement	Non cash capitalised interest	30 September 2020
	£m	£m	£m	£m	£m	£m
Bank loans	74.8	(6.7)	—	(0.3)	—	67.8
Preference shares	312.9	—	—	—	17.2	330.1
Total borrowings	387.7	(6.7)	—	(0.3)	17.2	397.9

	1 April 2019	Cash flows—repayment of capital	Cash flows—repayment of interest	Foreign exchange movement	Non cash capitalised interest	30 March 2020
	£m	£m	£m	£m	£m	£m
Bank loans	75.6	(3.2)	—	2.4	—	74.8
Preference shares	316.4	(20.2)	(14.8)	—	31.5	312.9
Total borrowings	392.0	(23.4)	(14.8)	2.4	31.5	387.7

	1 April 2019	Cash flows—repayment of capital	Cash flows—repayment of interest	Foreign exchange movement	Non cash capitalised interest	30 September 2019
	£m	£m	£m	£m	£m	£m
Bank loans	75.6	(0.8)	—	2.4	—	77.2
Preference shares	316.4	(20.2)	(14.8)	—	16.1	297.5
Total borrowings	392.0	(21.0)	(14.8)	2.4	16.1	374.7

	1 April 2018	Cash flows—repayment of capital	Cash flows—repayment of interest	Foreign exchange movement	Non cash capitalised interest	30 March 2019
	£m	£m	£m	£m	£m	£m
Bank loans	78.8	(4.1)	—	0.9	—	75.6
Preference shares	343.4	(37.8)	(22.2)	—	33.0	316.4
Total borrowings	422.2	(41.9)	(22.2)	0.9	33.0	392.0

	1 April 2017	Cash flows—repayment of capital	Cash flows—repayment of interest	Foreign exchange movement	Non cash capitalised interest	30 March 2018
	£m	£m	£m	£m	£m	£m
Bank loans	84.4	(4.0)	—	(1.6)	—	78.8
Preference shares	309.8	—	—	—	33.6	343.4
Total borrowings	394.2	(4.0)	—	(1.6)	33.6	422.2

18. Provisions

	Restructuring costs	Legal obligations	Other provisions	Property provisions	Total
	£m	£m	£m	£m	£m
At 1 April 2017	0.2	—		0.4	**0.6**
Amounts utilised	(0.2)	—			**(0.2)**
Arising during the year	—	—		0.3	**0.3**
At 31 March 2018	—	—	—	**0.7**	**0.7**
Arising during the year	—	1.5	—	0.2	**1.7**
At 31 March 2019	—	**1.5**	—	**0.9**	**2.4**
Amounts utilised	—	(1.5)	—	—	**(1.5)**
Arising during the year	—	—	—	0.6	**0.6**
At 31 March 2020	—	—	—	**1.5**	**1.5**
Arising during the year	—	—	0.8	0.1	**0.9**
At 30 September 2020	—	—	**0.8**	**1.6**	**2.4**

The property provisions relate to the estimated repair and restatement costs for retail stores at the end of the lease. The provisions are not discounted for the time value of money as this is not considered materially different from the current cost.

19. Derivative assets and liabilities

	As at 30 September 2020	As at 31 March 2020	As at 31 March 2019	As at 31 March 2018
	£m	£m	£m	£m
Assets				
Foreign exchange forward contracts	—	1.5	0.1	—
Liabilities				
Foreign exchange forward contracts	**0.2**	—	—	0.1

Note: all foreign exchange forward contracts are cash flow hedges

Assets and liabilities held at fair value are categorised into levels that have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).
- Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

Derivative financial instruments consist of foreign exchange forward contracts, which are categorised within Level 2. Trading derivatives are classified as a current asset or liability. The full fair value of a hedging derivative is classified as a non—current asset or liability if the remaining maturity of the hedged item is more than 12 months and as a current asset or liability if the maturity of the hedged item is less than 12 months. All the foreign exchange forward contracts mature before 31 March 2021, therefore these have been recorded as a current asset and liability.

Foreign exchange forward contracts derivatives

The Group has entered into a number of foreign exchange forward contracts to cover the foreign exchange risk associated with merchandise purchases in USD and revenue in Euros and fix sterling price points using low risk treasury instruments.

At the Statement of Financial Position date foreign exchange contracts were entered into to cover circa 70% of the UK and Continental Europe wholesale and DTC committed inventory purchases for the Autumn Winter 2020 season with a target range of between 70% to 80%.

The following table represents the nominal amounts of derivatives in a continued hedge relationship as at each reporting period:

	As at 30 September 2020	As at 31 March 2020	As at 31 March 2019	As at 31 March 2018
Average exchange rate				
Cash Flow Hedges: Sell USD buy GBP	**1.2944**	1.3030	1.3154	1.4099
Cash Flow Hedges: Sell EUR buy GBP	**1.1536**	1.1266	—	—
Nominal amounts	**$m**	$m	$m	$m
Cash Flow Hedges: Sell USD buy GBP				
Less than a year	**27.3**	39.0	35.8	15.0
More than a year but less than two years	**—**	—	—	—
Cash Flow Hedges: Sell EUR buy GBP				
Less than a year	**16.5**	4.0	—	—
More than a year but less than two years	**—**	—	—	—

20. Deferred taxation

The analysis of deferred tax assets and liabilities is as follows:

	As at 30 September 2020	As at 31 March 2020	As at 31 March 2019	As at 31 March 2018
	£m	£m	£m	£m
Deferred tax assets				
Deferred tax asset to be recovered after more than 12 months	**7.4**	7.4	6.0	4.4

The gross movement on the deferred income tax

	As at 30 September 2020	As at 31 March 2020	As at 31 March 2019	As at 31 March 2018
	£m	£m	£m	£m
Deferred tax asset to be recovered after more than 12 months	**—**	1.4	1.6	2.1

The deferred tax asset provided in the HFI is supported by budgets and trading forecasts and relates to the following temporary differences:

- Temporary differences are the differences between the carrying amount of an asset/liability and its tax base that eventually will reverse and mainly comprise amounts for unrealised profits in intra group transactions and expenses; and
- Trade losses expected to be utilised in future periods, some of which were not recognised in previous periods.

The movement in deferred income tax assets and liabilities during the periods is as follows:

Deferred tax assets	Accelerated capital allowances	Temporary differences	Tax losses	Total
	£m	£m	£m	£m
At 1 April 2017	(0.4)	2.5	0.2	2.3
Income statement credit	0.2	1.9	—	2.1
At 31 March 2018	**(0.2)**	**4.4**	**0.2**	**4.4**
Income statement credit	0.1	1.5	—	**1.6**
At 31 March 2019	**(0.1)**	**5.9**	**0.2**	**6.0**
Income statement (charge)/credit	(0.1)	1.5	—	**1.4**
At 31 March 2020	**(0.2)**	**7.4**	**0.2**	**7.4**
Income statement credit	(0.8)	0.8	—	—
At 30 September 2020	**(1.0)**	**8.2**	**0.2**	**7.4**

Deferred taxation not provided in the financial statements:

	As at 30 September 2020	As at 31 March 2020	As at 31 March 2019	As at 31 March 2018
	£m	£m	£m	£m
Tax losses	**7.2**	7.2	7.2	7.2
Accelerated capital allowances	**0.1**	0.1	0.1	—
	7.3	7.3	7.3	7.2

The deferred tax asset has been re-measured, and at the end of the period the balance is calculated using the rate at which the relevant asset is expected to expire.

21. Share capital

Allotted, called up and fully paid	A Ordinary shares of £0.001 each	B Ordinary shares of £0.001 each	C Ordinary shares of £1,500 each	Total
	No.	No.	No.	No.
As at 1 April 2017	**1,500,000**	**8,500,001**	**2**	**10,000,003**
Issue of shares	—	—	—	—
As at 31 March 2018	**1,500,000**	**8,500,001**	**2**	**10,000,003**
Issue of shares	—	—	1	**1**
As at 31 March 2019	**1,500,000**	**8,500,001**	**3**	**10,000,004**
Issue of shares	—	—	—	—
As at 31 March 2020	**1,500,000**	**8,500,001**	**3**	**10,000,004**
Issue of shares	—	—	—	—
As at 30 September 2020	**1,500,000**	**8,500,001**	**3**	**10,000,004**

Allotted, called up and fully paid	A Ordinary shares of £0.001 each	B Ordinary shares of £0.001 each	C Ordinary shares of £1,500 each	Total
	£	£	£	£
As at 1 April 2017	**1,500**	**8,500**	**3,000**	**13,000**
Issue of shares	—	—	—	
As at 31 March 2018	**1,500**	**8,500**	**3,000**	**13,000**
Issue of shares	—	—	1,500	1,500
As at 31 March 2019	**1,500**	**8,500**	**4,500**	**14,500**
Issue of shares	—	—	—	—
As at 31 March 2020	**1,500**	**8,500**	**4,500**	**14,500**
Issue of shares	—	—	—	—
As at 30 September 2020	**1,500**	**8,500**	**4,500**	**14,500**

- The A ordinary shares do not have any voting rights or any rights of redemption. They have rights to dividends and capital distribution (including on winding up).
- The B ordinary shares have full voting, dividend and capital distribution (including on winding up) rights. They do not confer any rights of redemption.
- Each C ordinary share carries 500,000 votes per share. The C ordinary shares do not have any rights to receive any dividend or distribution or to share in any way the income or profits of the Company after the holders have each received from the Company by way of dividend or other distribution amount in total equal to double their issue price.

The following preference shares were held during the periods:

Preference shares	A shares of £0.0001 each	B shares of £0.0001 each	Total
	No.	No.	No.
As at 1 April 2017	**50,789,048**	**83,010,116**	**133,799,164**
Capitalisation of loan notes[1]	—	90,000,000	**90,000,000**
As at 31 March 2018	**50,789,048**	**173,010,116**	**223,799,164**
Redemptions	(8,580,843)	(29,230,178)	**(37,811,021)**
As at 31 March 2019	**42,208,205**	**143,779,938**	**185,988,143**
Redemptions	(4,581,939)	(15,608,123)	**(20,190,062)**
As at 31 March 2020	**37,626,266**	**128,171,815**	**165,798,081**
Redemptions	—	—	—
As at 30 September 2020	**37,626,266**	**128,171,815**	**165,798,081**

(1) At 1 January 2018 loan notes were capitalised into Redeemable preference 'B' shares, further detailed in note 18.

- The A preference shares have no voting rights or any further rights of participation in the profits of the Company other than 6% per annum dividends rights (compounding annually on each 31 March).
- The B preference shares have no voting rights or any further rights of participation in the profits of the Company other than 12% per annum dividend rights (compounding annually on each 31 March) in priority over the rights of any other class of shares.

Preference shares	A shares of £0.0001 each	B shares of £0.0001 each	Total
	£'000s	£'000s	£'000s
As at 1 April 2017	61,222	119,294	**180,516**
Capitalisation of loan notes(1)	—	144,860	**144,860**
Coupon accrued	3,674	14,316	**17,990**
As at 31 March 2018	**64,896**	**278,470**	**343,366**
Redemptions	(11,172)	(48,828)	**(60,000)**
Coupon accrued	3,443	29,552	**32,995**
As at 31 March 2019	**57,167**	**259,194**	**316,361**
Redemptions	(6,271)	(28,729)	**(35,000)**
Coupon accrued	3,131	28,395	**31,526**
As at 31 March 2020	**54,027**	**258,860**	**312,887**
Coupon accrued	1,625	15,574	**17,199**
As at 30 September 2020	**55,652**	**274,434**	**330,086**

(1) At 1 January 2018 loan notes were capitalised into Redeemable preference 'B' shares, further detailed in note 18.

The Loan notes were issued in multiples of £1 and carry interest of 12% per annum (fixed for life of the loan), charged annually and are unsecured. On 1 January 2018, as a result of the enactment of new hybrid mismatch rules in the UK on the 15 September 2017 which gave rise to restrictions on the deductibility of certain UK interest payments in relation to loan notes and would also increase the administrative burden associated with these notes, the loan notes were capitalised for the issue of further Redeemable preference 'B' shares. At 31 March 2018 £nil of interest was accrued into the notes.

In the year ended 31 March 2019, the directors reduced the Company's share premium account by £233.8m, increasing the Company's distributable reserves and retained earnings by the same amount. £223.8m of this share premium arose on the issue of preference shares classified as liabilities and a corresponding amount has been transferred to a Capital redemption reserve; on the subsequent redemption of preference shares, transfers are made from this reserve to retained earnings.

22. Reserves

The following describes the nature and purpose of each reserve within equity:

Reserve	Description and purpose
Share capital	Nominal value of subscribed shares.
Share premium reserve	Amount subscribed for share capital in excess of nominal value.
Hedging reserve	Represents the movements in fair value on designated hedging instruments.
Capital reserve—own shares	This reserve relates to shares held by an independently managed EBT and shares held by the Company as "treasury shares". The shares held by the EBT were held in order to satisfy share grants to certain key management personnel. At 30 September 2020 the Company held 135,000 ordinary 'A' shares (2020: 120,000, 2019: 120,000, 2018: 495,000) and 1 ordinary 'C' share (2020: 1, 2019: 1, 2018: 1).
Capital redemption reserve	A non-distributable reserve into which amounts are transferred following the redemption or purchase of own shares.
Foreign currency translation reserve	Includes translation gains or losses on translation of the overseas subsidiaries' HFI from the functional currencies to the presentational currency.
Retained earnings	All other net gains and losses and transactions with owners (e.g. dividends) not recognised elsewhere.

23. Related party transactions

Transactions with related parties

The Group is backed by entities that collectively comprise the Permira V Fund ("Permira V") which is ultimately controlled by Permira V GP Limited. Permira V GP Limited is related to the Company due to common control, IngreLux S.àr.l. (the Group's ultimate controlling parent party) is controlled by Permira V which itself is controlled by Permira V GP Limited. During the period ended 30 September 2020 the Group incurred costs of £650 (Sep19: £22,990; Mar20: £50,720; Mar19: £62,300; Mar18: £51,000), of which £nil (Sep19: £nil; Mar20: £27,733; Mar19: £nil; Mar18: £nil) was outstanding at the year end.

As at 31 March 2018 there was a loan between the EBT and IngreLux S.àr.l. for the value of £1.3m granted to the EBT to purchase the initial shares. This loan was repaid by the EBT in FY19, with no further loans granted.

The Group has traded with W M Griggs 1989 Settlement Trust, of which Mr S W Griggs is a trustee and holds an interest in the preference shares of Doc Topco Limited. The rent and service charges below were in relation to a property on which the lease expired in February 2019. The costs in the 31 March 2020 year relate to the part year period to the ended of this lease and there will be no further costs.

	6 months ended 30 September 2020	(Unaudited) 6 months ended 30 September 2019	Year ended 31 March 2020	Year ended 31 March 2019	Year ended 31 March 2018
	£'000s	£'000s	£'000s	£'000s	£'000s
Rent and service charges paid to W M Griggs 1989 Settlement Trust	—	3	4	155	181
Amounts owed to WM Griggs 1989 Settlement Trust	—	—	—	—	—

The Group has traded with GFM GmbH Trademarks, a 50% owned subsidiary of Dr Martens Airwair Group Limited.

	6 months ended 30 September 2020	(Unaudited) 6 months ended 30 September 2019	Year ended 31 March 2020	Year ended 31 March 2019	Year ended 31 March 2018
	£'000s	£'000s	£'000s	£'000s	£'000s
Costs charged from GFM GmbH Trademarks	**87**	50	109	84	90
Amounts owed to GFM GmbH Trademarks	**7**	—	—	—	—

Key management compensation

The compensation of key management (including executive Directors) of the Group was as follows:

	6 months ended 30 September 2020	(Unaudited) 6 months ended 30 September 2019	Year ended 31 March 2020	Year ended 31 March 2019	Year ended 31 March 2018
	£'000s	£'000s	£'000s	£'000s	£'000s
Salaries and benefits	**5,051**	3,817	6,367	4,273	3,099
Pensions	**97**	72	92	92	85
Amounts owed by key management	**4,567**	1,165	1,197	1,399	1,423

This includes the Directors of all Group companies.

24. Financial commitments and contingencies

Total future minimum lease payments (not discounted) under non-cancellable lease rentals are payable as follows:

	As at 30 September 2020	(Unaudited) As at 30 September 2019	As at 31 March 2020	As at 31 March 2019	As at 31 March 2018
	£m	£m	£m	£m	£m
Operating lease commitments					
Not later than one year	**23.1**	19.6	21.5	18.4	17.0
Later than one year and not later than five years	**56.1**	56.5	56.5	55.3	55.9
Later than five years	**21.1**	24.3	22.5	26.1	29.4
	100.3	100.4	100.5	99.8	102.3
Memo: commitment to break	**69.3**	80.4	70.0	69.2	75.0
Contingent liabilities					
HMRC duty deferment guarantee	**0.9**	0.9	0.9	0.9	0.9
Rent guarantee	**1.4**	1.0	1.3	0.9	0.8
	2.3	1.9	2.2	1.8	1.7

25. Leases

The following table reconciles the amount disclosed as operating lease commitments at 31 March 2019 to the amount recognised on the Consolidated Statement of Financial Position on 1 April 2019 in respect of ROU lease liabilities on adoption of IFRS 16:

	£m
Operating lease commitments as at 31 March 2019	99.8
Weighted average incremental borrowing rate as at 1 April 2019	4.00%
Discounted operating lease commitments at 1 April 2019	**84.5**
Less:	
Commitments relating to short-term leases	(1.3)
Termination of lease	(1.4)
Add:	
Payments in operational extensions reasonably certain to be exercised	1.9
Other	1.6
Lease liabilities recognized at 1 April 2019	**85.3**

	6 months ended 30 September 2020	Year ended 31 March 2020
	£m	£m
At 1 April	(88.4)	(85.3)
Additions and remeasurement	(10.0)	(19.6)
Interest	(1.9)	(3.9)
Payments	10.7	20.4
Foreign exchange	0.8	—
At 30 September/31 March	**(88.8)**	**(88.4)**

The following are the amounts recognized in profit or loss:

	6 months ended 30 September 2020	Year ended 31 March 2020
	£m	£m
Depreciation expense of right-of-use assets	(11.7)	(17.9)
Interest expense on lease liabilities	(1.9)	(3.9)
Expenses relating to short-term leases (included in cost of sales)	(0.6)	(1.4)
Variable lease payments (included in cost of sales)	0.2	(1.8)
Total operating expenses recognised in profit	(0.4)	(3.2)
Total amount recognised in profit	**(14.0)**	**(25.0)**

26. Impact of adoption of IFRS 16

From 1 April 2019 the Group adopted IFRS 16 "Leases". The standard replaced IAS 17 and addresses the definition of a lease and its recognition and measurement. The standard has no economic impact, no effect on the operations and no effect on cash flow with its impact purely accounting related. The impact affected the presentation of assets, liabilities, the Statement of Profit or Loss and classification of cash flows relating to leases. The Group adopted the standard via the "Modified Retrospective Approach" and continues to closely monitor market adoption and evolving best practice whilst assessing the impact on the financial results. The impact of this accounting structure is described below:

Consolidated Income Statement

		IFRS 16 Adjustments			
	30 September 2020 Pre IFRS 16 adjustments	Operating lease costs reversal	ROU assets depreciation	Lease interest charged	30 September 2020 Post IFRS 16 adjustments
	£m	£m	£m	£m	£m
Revenue	318.2	—	—	—	318.2
Cost of sales	(131.9)	—	—	—	(131.9)
Gross profit	**186.3**	**—**	**—**	**—**	**186.3**
Selling and administrative expenses	(121.3)	11.5	(11.7)	—	(121.5)
Operating profit	**65.0**	**11.5**	**(11.7)**	**—**	**64.8**
EBITDA	74.8	11.5	—	—	86.3
Exceptional items	(3.0)	—	—	—	(3.0)
EBITDA (post exceptional items)	**71.8**	**11.5**	**—**	**—**	**83.3**
Depreciation, amortization and forex gains/ (losses)	(6.8)	—	(11.7)	—	(18.5)
Operating profit	**65.0**	**11.5**	**(11.7)**	**—**	**64.8**
Finance expense	(21.0)	—	—	(1.9)	(22.9)
Profit before income tax	**44.0**	**11.5**	**(11.7)**	**(1.9)**	**41.9**
Income tax expense	(12.4)	—	—	—	(12.4)
Profit for the period attributable to owners of the parent	**31.6**	**11.5**	**(11.7)**	**(1.9)**	**29.5**

Consolidated Statement of Financial Position

	30 September 2020 Pre IFRS 16 adjustments	IFRS 16 Adjustments: Balances b/fwd in relation to IFRS 16	Acquisition of ROU assets and liabilities	Reversal of operating lease costs	ROU depreciation & Lease interest charged	Translation reserve	30 September 2020 Post IFRS 16 adjustments
	£m	£m	£m	£m	£m	£m	£m
Non-current assets							
Intangible assets	259.8	—	—	—	—	—	**259.8**
Property, plant and equipment	31.4	—	—	—	—	—	**31.4**
Right-of-use assets	—	82.0	10.0	—	(11.7)	(0.7)	**79.6**
Deferred tax assets	7.4	—	—	—	—	—	**7.4**
	298.6	**82.0**	**10.0**	**—**	**(11.7)**	**(0.7)**	**378.2**
Current assets							
Inventories	128.0	—	—	—	—	—	**128.0**
Trade and other receivables	93.6	(1.3)	—	0.5	—	—	**92.8**
Income tax assets	0.8	—	—	—	—	—	**0.8**
Derivatives and financial assets	—	—	—	—	—	—	**—**
Cash and cash equivalents	146.8	—	—	—	—	—	**146.8**
Restricted cash	4.2	—	—	—	—	—	**4.2**
	373.4	**(1.3)**	**—**	**0.5**	**—**	**—**	**372.6**
Total assets	**672.0**	**80.7**	**10.0**	**0.5**	**(11.7)**	**(0.7)**	**750.8**
Current liabilities							
Trade and other payables	(148.1)	6.0	—	0.3	—	—	**(141.8)**
Borrowings—Bank	(20.0)	—	—	—	—	—	**(20.0)**
—Lease liabilities	—	(21.8)	(2.4)	4.7	—	—	**(19.5)**
Provisions	(0.8)	—	—	—	—	—	**(0.8)**
Derivatives and financial liabilities	(0.2)	—	—	—	—	—	**(0.2)**
Income tax payable	(1.2)	—	—	—	—	—	**(1.2)**
	(170.3)	**(15.8)**	**(2.4)**	**5.0**	**—**	**—**	**(183.5)**
Non-current liabilities							
Borrowings—Bank	(65.9)	—	—	—	—	—	**(65.9)**
—Redeemable preference shares	(330.1)	—	—	—	—	—	**(330.1)**
—Lease liabilities	—	(66.6)	(7.6)	6.0	(1.9)	0.8	**(69.3)**
Provisions	(1.6)	—	—	—	—	—	**(1.6)**
	(397.6)	**(66.6)**	**(7.6)**	**6.0**	**(1.9)**	**0.8**	**(466.9)**
Total liabilities	**(567.9)**	**(82.4)**	**(10.0)**	**11.0**	**(1.9)**	**0.8**	**(650.4)**
Net assets	**104.1**	**(1.7)**	**—**	**11.5**	**(13.6)**	**0.1**	**100.4**
Equity attributable to owners of the parent							
Share capital	—	—	—	—	—	—	**—**
Share premium reserve	4.8	—	—	—	—	—	**4.8**
Hedging reserve	(0.2)	—	—	—	—	—	**(0.2)**
Capital reserve—own shares	(0.6)	—	—	—	—	—	**(0.6)**
Capital redemption reserve	(165.8)	—	—	—	—	—	**(165.8)**
Foreign currency translation reserve	7.9	—	—	—	—	0.1	**8.0**
Retained earnings	258.0	(1.7)	—	11.5	(13.6)	—	**254.2**
Total equity	**104.1**	**(1.7)**	**—**	**11.5**	**(13.6)**	**0.1**	**100.4**

Consolidated Statement of Cash Flows

	30 September 2020 Pre IFRS 16 adjustments	IFRS 16 Adjustments: Reversal of operating lease costs	IFRS 16 Adjustments: ROU depreciation and lease interest	IFRS 16 Adjustments: Lease repayments	30 September 2020 Post IFRS 16 adjustments
	£m	**£m**	**£m**	**£m**	**£m**
Profit after taxation	31.6	11.5	(11.7)	(1.9)	**29.5**
Add back: Income tax expense	12.4	—	—	—	**12.4**
Finance expense	21.0	—	—	1.9	**22.9**
Operating profit	**65.0**	**11.5**	**(11.7)**	**—**	**64.8**
Depreciation and amortisation	6.7	—	11.7	—	**18.4**
Net foreign exchange rate gain	0.1	—	—	—	**0.1**
Increase in inventories	(39.0)	—	—	—	**(39.0)**
Increase in trade and other receivables	(24.3)	—	—	—	**(24.3)**
Increase in trade and other payables	56.9	(0.8)	—	—	**56.1**
Change in working capital	(6.4)	(0.8)	—	—	**(7.2)**
Cash generated from operations[1]	**65.4**	**10.7**	**—**	**—**	**76.1**
Taxation paid	(10.7)	—	—	—	**(10.7)**
Cash generated from operating activities	**54.7**	**10.7**	**—**	**—**	**65.4**
Cash flows from investing activities					
Additions to intangible assets	(4.6)	—	—	—	**(4.6)**
Additions to property, plant and equipment	(3.6)	—	—	—	**(3.6)**
Cash used in investing activities	(8.2)	—	—	—	**(8.2)**
Cash flows from financing activities					
Finance expense	(4.9)	—	—	—	**(4.9)**
Bank borrowings drawn down	9.3	—	—	—	**9.3**
Repayments of amounts drawn down in relation to the above	(9.3)	—	—	—	**(9.3)**
Bank borrowings repayments	(6.7)	—	—	—	**(6.7)**
Other loans made	(3.4)	—	—	—	**(3.4)**
Payment of lease liabilities	—	—	—	(10.7)	**(10.7)**
Cash used in financing activities	**(15.0)**	**—**	**—**	**(10.7)**	**(25.7)**
Net increase/(decrease) in cash and cash equivalents	31.5	10.7	—	(10.7)	**31.5**
Cash and cash equivalents at beginning of period/year	117.2	—	—	—	**117.2**
Effect of exchange on cash held	(1.9)	—	—	—	**(1.9)**
Cash and cash equivalents at end of period/year	**146.8**	**10.7**	**—**	**(10.7)**	**146.8**
Cash flow from cash					
EBITDA[1]	74.8	11.5	—	—	**86.3**
Change in net working capital	(8.1)	—	—	(0.8)	**(8.9)**
Capital expenditure	(8.2)	—	—	—	**(8.2)**
Operating cash flow	**58.5**	**11.5**	**—**	**(0.8)**	**69.2**
Exceptional items	(1.3)	—	—	—	**(1.3)**
Net interest paid	(4.9)	—	—	—	**(4.9)**
Payments of lease liabilities	—	—	—	(10.7)	**(10.7)**
Taxation	(10.7)	—	—	—	**(10.7)**
Net cash foreign exchange	(1.9)	—	—	—	**(1.9)**
Free cash flow	**39.7**	**11.5**	**—**	**(11.5)**	**39.7**
Bank borrowings drawn down	9.3	—	—	—	**9.3**
Repayments of amounts drawn down in relation to the above	(9.3)	—	—	—	**(9.3)**
Bank borrowings repayments	(6.7)	—	—	—	**(6.7)**
Other loans made	(3.4)	—	—	—	**(3.4)**
Net cash flow	**29.6**	**11.5**	**—**	**(11.5)**	**29.6**
Opening cash	117.2	—	—	—	**117.2**
Closing cash	**146.8**	**11.5**	**—**	**(11.5)**	**146.8**

Consolidated Statement of Financial Position

	31 March 2020 Pre IFRS 16 adjustments	IFRS 16 Adjustments: Adoption of IFRS 16	Acquisition of ROU assets and liabilities	Reversal of operating lease costs	ROU depreciation & Lease interest charged	31 March 2020 Post IFRS 16 adjustments
	£m	£m	£m	£m	£m	£m
Non-current assets						
Intangible assets	257.2	—	—	—	—	**257.2**
Property, plant and equipment	32.7	—	—	—	—	**32.7**
Right-of-use assets	—	80.6	19.3	—	(17.9)	**82.0**
Deferred tax assets	7.4	—	—	—	—	**7.4**
	297.3	**80.6**	**19.3**	**—**	**(17.9)**	**379.3**
Current assets						
Inventories	90.0	—	—	—	—	**90.0**
Trade and other receivables	69.5	(1.5)	—	0.2	—	**68.2**
Income tax assets	0.3	—	—	—	—	**0.3**
Derivatives and financial assets	1.5	—	—	—	—	**1.5**
Cash and cash equivalents	117.2	—	—	—	—	**117.2**
	278.5	**(1.5)**	**—**	**0.2**	**—**	**277.2**
Total assets	**575.8**	**79.1**	**19.3**	**0.2**	**(17.9)**	**656.5**
Current liabilities						
Trade and other payables	(94.9)	6.2	0.3	(0.5)	—	**(88.9)**
Borrowings—Bank	(20.0)	—	—	—	—	**(20.0)**
- Lease liabilities	—	(15.0)	(5.5)	(0.5)	(0.8)	**(21.8)**
Provisions	—	—	—	—	—	**—**
Derivatives and financial liabilities	—	—	—	—	—	**—**
Income tax payable	—	—	—	—	—	**—**
	(114.9)	**(8.8)**	**(5.2)**	**(1.0)**	**(0.8)**	**(130.7)**
Non-current liabilities						
Trade and other payables	—	—	—	—	—	**—**
Borrowings—Bank	(74.3)	—	—	—	—	**(74.3)**
—Redeemable preference shares	(312.9)	—	—	—	—	**(312.9)**
—Lease liabilities	—	(70.3)	(14.1)	20.9	(3.1)	**(66.6)**
Provisions	(1.5)	—	—	—	—	**(1.5)**
	(388.7)	**(70.3)**	**(14.1)**	**20.9**	**(3.1)**	**(455.3)**
Total liabilities	**(503.6)**	**(79.1)**	**(19.3)**	**19.9**	**(3.9)**	**(586.0)**
Net assets	**72.2**	**—**	**—**	**20.1**	**(21.8)**	**70.5**
Equity attributable to owners of the parent						
Share capital	—	—	—	—	—	**—**
Share premium reserve	—	—	—	—	—	**—**
Hedging reserve	1.5	—	—	—	—	**1.5**
Capital reserve—own shares	—	—	—	—	—	**—**
Capital redemption reserve	(165.8)	—	—	—	—	**(165.8)**
Foreign currency translation reserve	10.1	—	—	—	—	**10.1**
Retained earnings	226.4	—	—	20.1	(21.8)	**224.7**
Total equity	**72.2**	**—**	**—**	**20.1**	**(21.8)**	**70.5**

27. Financial instruments

IFRS 13 requires the classification of financial instruments measured at fair value to be determined by reference to the source of inputs used to derive fair value. The fair values of all financial instruments in all periods are equal to their carrying values, with the exception of derivatives which are considered to be at Level 2 and are disclosed separately below. The fair value hierarchy has been defined in note 19.

Financial instruments by category

	30 September 2020		
	Receivables at amortised cost	Fair value through other comprehensive income	Total
	£m	£m	£m
Assets as per statement of financial position			
Trade and other receivables excluding prepayments	87.8	—	**87.8**
Derivative financial instruments	—	—	**—**
Cash and cash equivalents	151.0	—	**151.0**
	238.8	**—**	**238.8**

	Liabilities at amortised cost	Fair value through other comprehensive income	Total
	£m	£m	£m
Liabilities as per statement of financial position			
Bank debt (excluding unamortised fees)	87.8	—	**87.8**
Lease liabilities—Current	19.5	—	**19.5**
—Non-current	69.3	—	**69.3**
Preference shares	330.1	—	**330.1**
Derivative financial instruments	—	0.2	**0.2**
Trade and other payables excluding non-financial liabilities	92.1	—	**92.1**
	598.8	**0.2**	**599.0**

Financial instruments by category

	31 March 2020		
	Receivables at amortised cost	Fair value through other comprehensive income	Total
	£m	£m	£m
Assets as per statement of financial position			
Trade and other receivables excluding prepayments	64.7	**—**	**64.7**
Derivative financial instruments	—	1.5	**1.5**
Cash and cash equivalents	117.2	**—**	**117.2**
	181.9	**1.5**	**183.4**

	Liabilites at amortised cost	Fair value through other comprehensive income	Total
	£m	£m	£m
Liabilities as per statement of financial position			
Bank debt (excluding unamortised fees)	94.8	—	**94.8**
Lease liabilities—Current	21.8	—	**21.8**
—Non-current	66.6	—	**66.6**
Preference shares	312.9	—	**312.9**
Trade and other payables excluding non-financial liabilities	42.7	—	**42.7**
	538.8	**—**	**538.8**

Financial instruments by category

Financial instruments by category	31 March 2019 Receivables at amortised cost	Fair value through other comprehensive income	Total
	£m	£m	£m
Assets as per statement of financial position			
Trade and other receivables excluding prepayments	48.9	—	**48.9**
Derivative financial instruments	—	0.1	**0.1**
Cash and cash equivalents	58.4	—	**58.4**
	107.3	**0.1**	**107.4**

	Liabilities at amortised cost	Fair value through other comprehensive income	Total
	£m	£m	£m
Liabilities as per statement of financial position			
Bank debt (excluding unamortised fees)	75.6	—	**75.6**
Preference shares	316.4	—	**316.4**
Trade and other payables excluding non-financial liabilities	27.5	—	**27.5**
	419.5	—	**419.5**

Financial instruments by category

	31 March 2018 Receivables at amortised cost	Fair value through other comprehensive income	Total
	£m	£m	£m
Assets as per statement of financial position			
Trade and other receivables excluding prepayments	36.7	—	**36.7**
Cash and cash equivalents	86.4	—	**86.4**
	123.1	**—**	**123.1**

	Liabilities at amortised cost	Fair value through other comprehensive income	Total
	£m	£m	£m
Liabilities as per statement of financial position			
Bank debt (excluding unamortised fees)	78.8	—	**78.8**
Preference shares	343.4	—	**343.4**
Derivative financial instruments	—	0.1	**0.1**
Trade and other payables excluding non-financial liabilities	26.6	—	**26.6**
	448.8	**0.1**	**448.9**

Group Financial Risk Factors

The Group's activities expose it to a wide variety of financial risks: liquidity risk, credit risk and market risk (including currency risk, fair value interest rate risk, cash flows interest rate risk). The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise the potential adverse effects on the Group's financial performance. The Group uses derivative financial instruments to hedge certain risk exposures.

Risk management is carried out by a central finance and treasury department under policies approved by the Board of Directors. Group finance and treasury identifies, evaluates and hedges financial risks in close co-operation with the Group's operating units. The Board agrees written principles for overall risk management as well as written policies covering specific areas such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments and investment of excess liquidity.

Liquidity risk

Cash flow forecasting is performed in the operating entities of the Group and aggregated by Group finance. Treasury monitors rolling forecasts of the Group's liquidity requirements to ensure that it has sufficient cash to meet operational needs while maintaining sufficient headroom in its undrawn committed borrowing facilities at all times so that the Group does not breach borrowing limits or covenants on any of its borrowing facilities. Surplus cash held by operating entities over and above balances required for working capital are transferred to treasury. Treasury invests surplus cash in interest bearing accounts, choosing instruments with sufficient liquidity to provide headroom as determined by the above-mentioned forecasts.

The table below sets out the contractual maturities (representing undiscounted contractual cash-flows) of loans, borrowings and other financial liabilities:

	At 30 September 2020				
	Up to 3 months	**Between 3 & 12 months**	**Between 1 & 5 years**	**More than 5 years**	**Total**
	£m	**£m**	**£m**	**£m**	**£m**
Bank loans—Principle	—	—	67.8	—	**67.8**
—Interest	1.0	3.0	2.1	—	**6.1**
Total bank loans	1.0	3.0	69.9	—	**73.9**
RCF Loan	20.0	—	—	—	**20.0**
Redeemable preference shares*	—	—	—	330.1	**330.1**
Lease liability	4.6	14.9	49.6	19.7	**88.8**
Derivative financial instruments	—	0.2	—	—	**0.2**
Trade and other payables excluding nonfinancial liabilities	92.1	—	—	—	**92.1**
	117.7	**18.1**	**119.5**	**349.8**	**605.1**

* Redeemable preference shares of 6% & 12% rolled into principle, balance above as at period end.

	At 31 March 2020				
	Up to 3 months	**Between 3 & 12 months**	**Between 1 & 5 years**	**More than 5 years**	**Total**
	£m	**£m**	**£m**	**£m**	**£m**
Bank loans—Principle	—	—	74.8	—	**74.8**
—Interest	—	4.6	4.7	—	**9.3**
Total bank loans	—	4.6	79.5	—	**84.1**
RCF Loan	—	10.7	—	—	**10.7**
Bank overdraft	9.3	—	—	—	**9.3**
Redeemable preference shares*	—	—	—	312.9	**312.9**
Lease liability	5.5	16.3	48.8	17.8	**88.4**
Derivative financial instruments	—	—	—	—	**—**
Trade and other payables excluding nonfinancial liabilities	42.7	—	—	—	**42.7**
	57.5	**31.6**	**128.3**	**330.7**	**548.1**

* Redeemable preference shares of 6% & 12% rolled into principle, balance above as at period end.

	At 31 March 2019				
	Up to 3 months	**Between 3 & 12 months**	**Between 1 & 5 years**	**More than 5 years**	**Total**
	£m	**£m**	**£m**	**£m**	**£m**
Bank loans—Principle	0.8	2.4	72.4	—	**75.6**
—Interest	1.2	3.4	6.9	—	**11.5**
Total bank loans	2.0	5.8	79.3	—	**87.1**
Redeemable preference shares*	—	—	—	316.4	**316.4**
Derivative financial instruments	—	(0.1)	—	—	**(0.1)**
Trade and other payables excluding non-financial liabilities	27.5	—	—	—	**27.5**
	29.5	**5.7**	**79.3**	**316.4**	**430.9**

* Redeemable preference shares of 6% & 12% rolled into principle, balance above as at period end.

	At 31 March 2018				
	Up to 3 months	Between 3 & 12 months	Between 1 & 5 years	More than 5 years	Total
	£m	£m	£m	£m	£m
Bank loans—Principle	1.0	3.1	74.7	—	**78.8**
—Interest	1.2	3.4	11.2	—	**15.8**
Total bank loans	2.2	6.5	85.9	—	**94.6**
Redeemable preference shares*	—	—	—	343.4	**343.4**
Derivative financial instruments	0.1	—	—	—	**0.1**
Trade and other payables excluding nonfinancial liabilities	26.4	—	0.2	—	**26.6**
	28.7	**6.5**	**86.1**	**343.4**	**464.7**

* Redeemable preference shares of 6% & 12% rolled into principle, balance above as at period end.

Credit risk

Credit risk is managed on a Group basis, except for credit risk relating to accounts receivable balances. Each local entity is responsible for managing and analysing the credit risk of their new customers before standard payment and delivery terms and conditions are offered. Credit risk arises from cash and cash equivalents, derivative financial instruments and deposits with banks and financial institutions, as well as credit exposures to wholesale and retail customers, including outstanding receivables and committed transactions. For banks and financial institutions only independently rated parties with a minimum rating of 'A' are accepted. Treasury policies in place do not allow concentration of risk with individual counterparties and do not allow significant treasury exposures with counterparties which are rated below investment grade.

For wholesale customers, risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are regularly monitored. Sales to wholesale customers are settled primarily by bank transfer and retail customers are settled in cash or major debit/credit cards. The Group has no significant concentration of credit risk as exposure is spread over a large number of customers.

Market Risk

Foreign exchange risk

The Group operates internationally and is exposed to foreign exchange risk arising from the various currency exposures, primarily with respect to the US dollar and the Euro. Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities and net investments in foreign operations. Foreign exchange risk arises when future commercial transactions or recognised assets and liabilities are denominated in a currency that is not the entity's functional currency.

The Group purchases the vast majority of its inventory from factories in Asia which are paid in US dollars. Approximately 75% to 85% of revenue is earned in currencies other than pounds sterling. In addition, the Group has certain investments in foreign operations whose net assets are exposed to foreign currency translation risk

Cash flow and fair value interest rate risk

The Group's interest rate risk arises from GBP and non-GBP borrowings. Borrowings issued at variable rates expose the Group to cash flow interest rate risk which is partially offset by cash held at variable rates. Borrowings issued at fixed rates expose the Group to fair value interest rate risk. During 2020 and 2019 and 2018 the Group's borrowings were denominated in Sterling, Euros, Hong Kong Dollars and Japanese Yen.

The Group previously managed its cash flow interest rate risk by using floating-to-fixed interest rate swaps. Such interest rate swaps had the economic effect of converting borrowings from floating rates to fixed rates.

At 30 September 2020 if interest rates on bank borrowings had been 50 basis points higher or lower with all other variables held constant, the calculated pre-tax profit for the year would change by £0.4m (Sep19: £0.1m; Mar20: £0.2m; Mar19: £0.4m; Mar18: £0.4m).

Capital risk

The Group manages its capital to ensure that entities in the Group will be able to continue as going concerns while maximising the return to stakeholders through the optimisation of the debt and equity balances. The Group's overall strategy remains consistent over the HFI periods.

The capital structure of the Group consists of net debt disclosed in note 17 and equity attributable to equity holders of the parent, comprising issued share capital, reserves and retained earnings as disclosed in note 21 and the Consolidated Statement of Changes in Equity. The Group's Board of Directors reviews the capital structure on an annual basis. The group is not subject to any externally imposed capital requirement.

Foreign currency risk

For the period ended 30 September 2020, the Company has analysed the impact of a movement in exchange rate of the major non-GBP currencies on its pre-tax profits (all other exchange rated remaining unchanged) as follows:-

10% Appreciation	6 months ended 30 September 2020	(Unaudited) 6 months ended 30 September 2019	Year ended 31 March 2020	Year ended 31 March 2019	Year ended 31 March 2018
Currency	**£m**	**£m**	**£m**	**£m**	**£m**
US$	**(0.5)**	0.2	(0.5)	2.5	—
Euro	**6.6**	3.0	8.5	1.2	1.0
Yen	**1.0**	1.2	3.0	3.2	2.3

Note the US Dollar movement is lower as the group earns US Dollars from its US business and purchases all inventory (UK factory apart) in USD which nearly offset.

28. Pensions

Defined contribution scheme

The Group operates a defined contribution pension scheme for its employees. The Group's contributions to this scheme were £2.5m for the period ended 30 September 2020 (Sep19: £2.1m; Mar20: £4.8m; Mar19: £3.4m; Mar18: £2.8m) and at 30 September 2020 £0.7m (Sep19: £0.6m; Mar20: £0.4m; Mar19: £0.5m; Mar18: £0.3m) remained payable to the pension fund.

Defined benefit scheme

Airwair International Limited (the Company) operates a pension arrangement called the Dr Martens Airwair Group Pension Plan (the Plan). The Plan has a defined benefit section that provides benefits based on final salary and length of service on retirement, leaving service or death. The defined benefit section closed to new members on 6 April 2002 and closed to future accrual with effect from 31 January 2006. The Plan also has a defined contribution section that provides money purchase benefits to some current and former employees.

The Plan is managed by a board of Trustees appointed in part by the Company and in part from elections by members of the Plan. The Trustees have responsibility for obtaining valuations of the fund, administering benefit payments and investing the Plan's assets. The Trustees delegate some of these functions to their professional advisers where appropriate.

The defined benefit section of the Plan is subject to the Statutory Funding Objective under the Pensions Act 2004. A valuation of the Plan is carried out at least once every three years to determine whether the Statutory Funding Objective is met. The last valuation was carried out at 30 June 2019 which confirmed that the Plan had sufficient assets to meet the Statutory Funding Objective. The next valuation is due on 30 June 2022. The Statutory Funding Objective does not currently impact on the recognition of the Plan in these accounts.

In addition to the Statutory Funding Objective, the Company agreed with the Trustees to pay deficit contributions until the Plan reached an additional, low risk funding objective. This objective was met in July 2017 and so the only funding objective that currently applies to the Plan is the Statutory Funding Objective. In relation to this additional funding objective, the Company paid £0.4m into the scheme for the period April to June 2018 when payments ceased.

During all the HFI periods, no discretionary benefits were awarded. There were no other Plan amendments, settlements or curtailments during the period.

For the period ended 30 September 2020 the weighted average duration of the defined benefit obligation is approximately 17 years (Sep19: 17 years; Mar20: 16 years; Mar19; 18 years; Mar18: 18 years).

Key risks

The defined benefit section of the Plan exposes the Company to a number of risks:

- Investment risk. The Plan holds investments in asset classes, such as equities, which have volatile market values and while these assets are expected to provide the real returns over the long-term, the short-term volatility can cause additional funding to be required if a deficit emerges.
- Interest rate risk. The value of the Plan's liabilities is assessed using market yields on high quality corporate bonds to discount the liabilities. As the Plan holds assets such as equities the value of the assets and liabilities may not move in the same way. The Plan holds derivatives to manage a proportion of the interest rate risk.
- Inflation risk. A significant proportion of the benefits under the Plan are linked to inflation. Although the Plan's assets are expected to provide a good hedge against inflation over the long term, movements in inflation expectations over the short-term could lead to a deficit emerging. The Plan holds some derivatives to hedge a proportion of the potential changes in the value of the liabilities due to changes in market inflation expectations.
- Mortality risk. In the event that members live longer than assumed, a deficit will emerge in the Plan.

Although the Lloyds Banking Group Pensions Trustees Limited v Lloyds Bank PLC (and others) court judgment on 26 October 2018 provided some clarity in respect of Guaranteed Minimum Pensions equalisation and the obligations that this places on schemes, the actual impact of equalising the Plan's Guaranteed Minimum Pensions remains uncertain. An approximate allowance has been made in the disclosures for the impact of Guaranteed Minimum Pensions equalisation.

Effect of the Plan on Company's future cash flows

The Company is required to agree a Schedule of Contributions with the Trustees of the Plan following a valuation, which must be carried out at least once every three years. In the event that the valuation reveals a larger deficit than expected, the Company may be required to increase contributions above those set out in the existing Schedule of Contributions. Conversely, if the position is better than expected contributions may be reduced.

Following the valuation of the Plan at 30 September 2016, a Schedule of Contributions was put in place under which the Company agreed to make contributions to the defined benefit section of the Plan until such time as the additional, low-risk funding objective was reached. This funding target was reached by July 2017, and therefore Company contributions to the defined benefit section ceased during the year ended March 2018.

Following the valuation of the Plan at 30 June 2019, a Schedule of Contributions was agreed under which the Company was not required to make any contributions to the defined benefit section of the Plan (other than payments in respect of administrative expenses). Accordingly, the Company does not expect to contribute to the defined benefit section of the Plan, although it will continue to contribute to the defined contribution section in line with the Schedule of Contributions.

The next valuation of the Plan is due as at 30 June 2022. If this reveals a deficit then the Company may be required to pay contributions to the Plan to repair the deficit over time.

The amounts recognised in the Statement of Financial Position are determined as follows:

	6 months ended 30 September 2020	(Unaudited) 6 months ended 30 September 2019	Year ended 31 March 2020	Year ended 31 March 2019	Year ended 31 March 2018
	£m	**£m**	**£m**	**£m**	**£m**
Fair value of assets—defined benefit section	**70.0**	71.3	63.4	65.8	64.6
— defined contribution section	**12.4**	10.8	9.8	9.3	7.5
Fair value of plan assets	**82.4**	82.1	73.2	75.1	72.1
Present value of funded obligations					
— defined benefit section	**(60.9)**	(60.4)	(50.7)	(56.2)	(53.4)
— defined contribution section	**(12.4)**	(10.8)	(9.8)	(9.3)	(7.5)
Present value of funded obligations—total	**(73.3)**	(71.2)	(60.5)	(65.5)	(60.9)
Surplus of funded plans	**9.1**	10.9	12.7	9.6	11.2
Impact of asset ceiling	**(9.1)**	(10.9)	(12.7)	(9.6)	(11.2)
Net pension asset	**—**	—	—	—	—

The Plan has a surplus that is not recognised on the basis that Airwair International Limited is unlikely to derive any future economic benefits from the surplus. The net plan asset is restricted based on the lower of the plan surplus and asset ceiling.

A reconciliation of the net defined benefit asset over the periods is given below:

	6 months ended 30 September 2020	(Unaudited) 6 months ended 30 September 2019	Year ended 31 March 2020	Year ended 31 March 2019	Year ended 31 March 2018
	£m	**£m**	**£m**	**£m**	**£m**
Net defined benefit asset at beginning of year	**—**	—	—	—	—
Total defined benefit charge in the income statement	**—**	—	—	0.5	—
Remeasurements losses in Other Comprehensive Income (OCI)	**—**	—	—	(0.5)	0.4
Employer contributions	**—**	—	—	—	(0.4)
Net defined benefit asset at end of the year	**—**	—	—	—	—

The amount charged to the Statement of Profit or Loss and Statement of Other Comprehensive Income in respect of the defined benefit section of the Plan is shown below. Costs in respect of the defined contribution section of the Plan, and other defined contribution arrangements operated by the Company, are allowed for separately.

	6 months ended 30 September 2020	(Unaudited) 6 months ended 30 September 2019	Year ended 31 March 2020	Year ended 31 March 2019	Year ended 31 March 2018
	£m	**£m**	**£m**	**£m**	**£m**
Past service cost	**—**	—	—	0.5	—
Total defined benefit charge	**—**	**—**	**—**	**0.5**	**—**

The remeasurements in respect of the defined benefit section of the Plan, to be shown in Other Comprehensive Income, are shown below:

	6 months ended 30 September 2020	(Unaudited) 6 months ended 30 September 2019	Year ended 31 March 2020	Year ended 31 March 2019	Year ended 31 March 2018
	£m	**£m**	**£m**	**£m**	**£m**
(Gain)/loss on defined benefit assets in excess of interest	**(6.8)**	(5.7)	1.7	(2.0)	0.9
Experience gains on defined benefit obligation	**—**	0.2	0.3	0.7	—
Gains from changes to demographic assumptions	**—**	—	(0.8)	—	(1.1)
Losses/(gains) from changes of financial assumptions	**10.5**	4.3	(4.0)	2.7	(0.7)
Change in effect of asset ceiling	**(3.7)**	1.2	2.8	(1.9)	1.3
Total remeasurements to be shown in the OCI	**—**	**—**	—	(0.5)	0.4

The change in assets over the years was:

	6 months ended 30 September 2020	(Unaudited) 6 months ended 30 September 2019	Year ended 31 March 2020	Year ended 31 March 2019	Year ended 31 March 2018
	£m	**£m**	**£m**	**£m**	**£m**
At 1 April	**73.2**	75.1	75.1	72.1	71.4
Interest income on scheme assets	**0.7**	0.8	1.5	1.6	1.7
Returns on assets, excluding interest income	**6.8**	5.7	(1.7)	2.0	(0.9)
Contributions by employer	**—**	—	—	**—**	0.4
Benefits paid	**(0.9)**	(0.9)	(2.2)	(2.4)	(1.5)
Increase in defined contribution section assets	**2.6**	1.4	0.5	1.8	1.0
At 31 March/30 September	**82.4**	82.1	73.2	75.1	72.1

The movement in funded obligations over the year was:

	6 months ended 30 September 2020	(Unaudited) 6 months ended 30 September 2019	Year ended 31 March 2020	Year ended 31 March 2019	Year ended 31 March 2018
	£m	**£m**	**£m**	**£m**	**£m**
At 1 April	**60.5**	65.5	65.5	60.9	61.8
Past service cost	**—**	—	—	0.5	—
Interest cost on defined benefit obligation	**0.6**	0.7	1.3	1.4	1.4
Experience loss on defined benefit obligation	**—**	0.2	0.2	0.6	—
Changes to demographic assumptions	**—**	—	(0.8)	**—**	(1.1)
Changes to financial assumptions	**10.5**	4.3	(4.0)	2.7	(0.7)
Benefits paid from the defined benefit section	**(0.9)**	(0.9)	(2.2)	(2.4)	(1.5)
Increase in Defined Contribution section assets	**2.6**	1.4	0.5	1.8	1.0
At 31 March/30 September	**73.3**	71.2	60.5	65.5	60.9

The change in the effect of the asset ceiling over the year is as follows:

	6 months ended 30 September 2020	(Unaudited) 6 months ended 30 September 2019	Year ended 31 March 2020	Year ended 31 March 2019	Year ended 31 March 2018
	£m	£m	£m	£m	£m
At 1 April	**12.7**	9.6	9.6	11.2	9.6
Interest income on the asset ceiling	**0.1**	0.1	0.2	0.2	0.3
Changes in the effect of the asset ceiling excluding interest	**(3.7)**	1.2	2.9	(1.8)	1.3
At 31 March/30 September	**9.1**	10.9	12.7	9.6	11.2

	6 months ended 30 September 2020	(Unaudited) 6 months ended 30 September 2019	Year ended 31 March 2020	Year ended 31 March 2019	Year ended 31 March 2018
	£m	£m	£m	£m	£m
Assets with a quoted market value in an active market:					
Cash and other					
Domestic	**0.3**	—	—	—	—
Foreign	**—**	—	—	—	—
	0.3	—	—	—	—
Assets without a quoted market value in an active market:					
Equities and property					
Domestic	**0.3**	—	0.2	—	—
Foreign	**17.9**	15.8	10.9	14.1	14.7
	18.2	15.8	11.1	14.1	14.7
Fixed interest bonds					
Unspecified	**7.1**	10.3	9.6	10.5	13.5
	7.1	10.3	9.6	10.5	13.5
Index linked gilts					
Domestic	**35.9**	35.9	35.1	32.8	23.2
Foreign	**—**	—	—	—	—
	35.9	35.9	35.1	32.8	23.2
Alternatives					
Unspecified	**7.9**	6.9	6.8	7.2	9.3
	7.9	6.9	6.8	7.2	9.3
Insured annuities					
Domestic	**1.8**	1.6	1.4	1.5	0.8
Foreign	**—**	—	—	—	—
	1.8	1.6	1.4	1.5	0.8
Cash and other					
Domestic	**2.0**	3.5	2.7	2.8	7.2
Foreign	**0.2**	—	0.2	0.2	0.3
Unspecified	**(3.2)**	(2.7)	(3.5)	(3.3)	(4.4)
	(1.0)	0.8	(0.6)	(0.3)	3.1
Defined contribution section assets					
Unspecified	**12.2**	10.8	9.8	9.3	7.5
	12.2	10.8	9.8	9.3	7.5
Fair value of plan assets	**82.4**	82.1	73.2	75.1	72.1

A full actuarial valuation was carried out at 30 June 2019. The results of that valuation were updated to 30 September 2020 by a qualified independent actuary. The principal assumptions selected by Airwair International Limited and used by the actuary to calculate the Plans defined benefit obligation were:

	6 months ended 30 September 2020	(Unaudited) 6 months ended 30 September 2019	Year ended 31 March 2020	Year ended 31 March 2019	Year ended 31 March 2018
Discount rate	**1.5%**	1.8%	2.3%	2.4%	2.6%
Inflation assumption (RPI)	**2.9%**	3.0%	2.5%	3.2%	3.1%
Inflation assumptions (CPI)	**2.1%**	1.9%	1.7%	2.1%	2.0%
LPI pension increases subject to 5% cap	**2.8%**	3.0%	2.5%	3.1%	3.0%
Revaluation in deferment	**2.1%**	1.9%	1.7%	2.1%	2.0%

Post retirement mortality assumptions:

For the 6 months ended 30 September 2020 100% (males) and 102% (females) of S3PA tables, with allowance for future improvements in line with CMI_2018 core projections model, a long-term rate of improvement of 1.0% pa and no initial addition.

For the (unaudited) 6 months ended 30 September 2019 93% (males) and 97% (females) of S2PA tables, with allowance for future improvements in line with CMI_2017, 1.00% long-term rate.

For the year ended 31 March 2020 100% (males) and 102% (females) of S3PA tables, with allowance for future improvements in line with CMI_2018, 1.00% long-term rate.

For the year ended 31 March 2019 93% (males) and 97% (females) of S2PA tables, with allowance for future improvements in line with CMI_2017, 1.00% long-term rate.

For the year ended 31 March 2018 93% (males) and 97% (females) of S2PA tables, with allowance for future improvements in line with CMI_2017, 1.00% long-term rate.

Tax free cash:

For the 6 months ended 30 September 2020 members are assumed to take 50% of the maximum tax-free cash.

For the (unaudited) 6 months ended 30 September 2019 members are assumed to take 75% of the maximum tax-free cash.

For the year ended 31 March 2020 members are assumed to take 50% of the maximum tax-free cash.

For the year ended 31 March 2019 members are assumed to take 75% of the maximum tax-free cash.

For the year ended 31 March 2018 members are assumed to take 75% of the maximum tax-free cash.

	6 months ended 30 September 2020	(Unaudited) 6 months ended 30 September 2019	Year ended 31 March 2020	Year ended 31 March 2019	Year ended 31 March 2018
Proportion married at retirement or earlier death	**70%**	70%	70%	70%	70%
Assumed life expectancies on retirement at age 65 are:					
Retiring today:					
Male	**21.7**	22.4	21.7	22.4	22.3
Female	**23.8**	24.0	23.8	24.0	23.9
Retiring in 20 years' time:					
Male	**22.7**	23.5	22.7	23.5	23.4
Female	**25.0**	25.2	24.9	25.2	25.1

The key sensitivity of the defined benefit obligation to the actuarial assumptions are shown below:

	6 months ended 30 September 2020	(Unaudited) 6 months ended 30 September 2019	Year ended 31 March 2020	Year ended 31 March 2019	Year ended 31 March 2018
	£m	£m	£m	£m	£m
Discount rate					
Plus 0.5% / (2019: Plus 0.5%)	**(4.9)**	(4.8)	(3.8)	(4.4)	(4.0)
Minus 0.5%	**5.6**	5.4	4.3	4.7	4.5
Rate of inflation					
Plus 0.5% / (2019: Plus 0.5%)	**4.8**	4.6	3.6	4.3	3.9
Minus 0.5%	**(4.3)**	(4.2)	(3.3)	(4.5)	(4.2)
Life expectancy					
Plus 1.0 year / (2019: Plus 1.0 year)	**3.1**	3.0	2.6	2.9	2.7
Minus 1.0 year	**(3.0)**	(2.9)	(2.5)	(2.8)	(2.6)

The sensitivity illustrations set out above are approximate. They show the likely effect of an assumption being adjusted whilst all other assumptions remain the same. Only the impact on the liability value (i.e. the defined benefit obligation) is considered—in particular:

- no allowance is made for any changes to the value of the Plan's invested assets in scenarios where interest rates or market inflation expectations change; and
- no allowance is made for changes in the value of the annuity policies held by the Plan, which is calculated using the same actuarial assumptions as for the Plan's defined benefit obligation.

Such changes to the asset values would be likely to partially offset the changes in the defined benefit obligation.

The net Statement of Financial Position and Statement of Profit or Loss are not sensitive to the actuarial assumptions used at the current time, due to the effect of the asset ceiling.

29. Control

The Group is backed by entities that collectively comprise the Permira V Fund ("Permira V") which is ultimately controlled by Permira V GP Limited. Permira V GP Limited is related to the Company due to common control, IngreLux S.àr.l. (the Group's ultimate controlling parent party which provided financing in the form of preference shares with capitalised interest, as described in note 18) is controlled by Permira V which itself is controlled by Permira V GP Limited.

30. Post balance sheet events

On 14 December 2020, Dr. Martens Limited (a company incorporated on 19 October 2020) acquired 100% of the beneficial title to the ordinary shares and preference shares of Doc Topco Limited via a share for share exchange.

The operational and business impact of COVID-19 in the period since the balance sheet date is described in note 1.2 Going concern.

PART 10

Additional Information

1. Responsibility

The Directors (whose names and principal functions are set out in Part 6 (*Directors, Senior Managers and Corporate Governance*)) and the Company accept responsibility for the information contained in this Registration Document. To the best of the knowledge of the Directors and the Company, the information contained in this Registration Document is in accordance with the facts and this Registration Document make no omission likely to affect their import.

2. Incorporation and share capital

2.1 The Company was incorporated and registered in England and Wales on 19 October 2020 as a private company limited by shares under the Act with the name Ampholdco Limited and with the registered number 12960219. On 22 December 2020, the Company changed its name to Dr. Martens Limited.

2.2 The Company's registered office and principal place of business is at 28 Jamestown Road, Camden, London, NW1 7BY, its telephone number is +44 (0)20 3908 6901, its LEI number is 213800QPT8YM6NQZPH28 and its investor website is www.drmartensplc.com. The contents of the Company's website do not form part of this Registration Document.

2.3 The principal laws and legislation under which the Company operates and the Shares have been created are the Act and regulations made thereunder.

2.4 The share capital of the Company on incorporation was £1 divided into one ordinary share of £1.

On 14 December 2020, prior to the share for share exchange described below:

- a further 139 ordinary shares of £1 were issued to the incorporation shareholder;
- the 140 ordinary shares of £1 were consolidated into 1 ordinary share of £140; and
- the 1 ordinary share of £140 was converted into 1 B ordinary share of £140.

On 14 December 2020 the Company acquired the entire issued share capital of Doc Topco Limited in exchange for issuing new shares to the Shareholders, resulting in a share capital of £1,737,139,147.21 divided into 1,500,000 A ordinary shares of £140 each, 8,500,001 B ordinary shares of £140 each, 3 C ordinary shares of £1,500 each, 37,626,266 A preference shares of £1.496801 each and 128,171,815 B preference shares of £2.19093 each (all of which were issued or credited as fully paid).

On 17 December 2020, the Company undertook a share capital reduction and cancelled the three C ordinary shares, resulting in a share capital of £10,001,658.98 divided into 1,500,000 A ordinary shares of £1 each, 8,500,001 B ordinary shares of £1 each, 37,626,266 A preference shares of £0.00001 each and 128,171,815 B preference shares of £0.00001 each (all of which were issued or credited as fully paid). No further shares have been issued by the Company since 14 December 2020.

2.5 Save as disclosed above:

(a) no share or loan capital of the Company has, within three years of the date of this Registration Document, been issued or agreed to be issued, or is now proposed to be issued, fully or partly paid, either for cash or for a consideration other than cash, to any person;

(b) no commissions, discounts, brokerages or other special terms have been granted by the Company in connection with the issue or sale of any share or loan capital of the Company; and

(c) no share or loan capital of the Company is under option or has been agreed conditionally or unconditionally to be put under option.

3. Reorganisation

The Group has undertaken certain steps as part of a reorganisation of its corporate structure and will undertake certain further steps following the date of the publication of this Registration Document (the "Reorganisation").

Steps already taken under the Reorganisation

The Reorganisation Deed was executed on 11 December 2020. Under the terms of the Reorganisation Deed, the Company was interposed as the holding company of the Group in accordance with the steps outlined below.

On 10 December 2020 and 11 December 2020 (being a two-step process of separate transfers of beneficial title and legal title to Doc Midco Limited shares), Ampdebtco Limited acquired the entire issued share capital of Doc Midco Limited in exchange for issuing new shares to Doc Debtco Limited, as a result of which Doc Debtco Limited holds the entire issued share capital of Ampdebtco Limited and Ampdebtco Limited in turn holds the entire issued share capital of Doc Midco Limited.

On 14 December 2020:

- the existing incorporation ordinary share of the Company held by IngreLux S.àr.l. was reorganised into a B ordinary share;
- the Company adopted a new set of interim articles of association; and
- the Trigger Notice (as defined under and in accordance with the Reorganisation Deed) was issued by the Principal Shareholder. Upon the issuance of the Trigger Notice the Company acquired the entire issued share capital of Doc Topco Limited in exchange for issuing new shares to the Shareholders, as a result of which the Shareholders hold the entire issued share capital of the Company and the Company in turn holds the entire issued share capital of Doc Topco Limited (the "Share-for-Share Exchange"). The register of members of Doc Topco Limited was updated on 23 December 2020 to show the Company as its sole shareholder.

On 15 December 2020, each of the Intermediate Holding Companies (the "Intermediate Holding Companies" being Doc Debtco Limited, Ampdebtco Limited, Doc Midco Limited and Doc Bidco Limited) (excluding Doc Topco Limited) undertook a reduction in capital by way of directors' solvency statement.

On 17 December 2020, the Company undertook a reduction in capital by way of directors' solvency statement. The Company's reduction in capital included a cancellation of the three C ordinary shares then in issue, with a cash sum equal to the nominal value of such C ordinary shares (being £4,500 in aggregate) to be returned to holders of such shares shortly following the expected admission to the London Stock Exchange.

On 22 December, the Company changed its name to "Dr. Martens Limited."

On 24 December 2020, Doc Topco Limited undertook a reduction in capital by way of directors' solvency statement.

Steps anticipated to be taken after publication of this Registration Document

The Company intends to re-register as a public limited company and, as a consequence of the re-registration, intends to change its name to "Dr. Martens plc".

The Company intends to redeem all Preference Shares in issue in the capital of the Company, with amounts owed to Shareholders in respect of such redemption, and the cancellation of the C ordinary shares, to be paid shortly thereafter; and the Company will undertake a reorganisation of its ordinary share capital to split its existing Shares into an appropriate number of new Shares.

4. Articles of Association

The Articles of Association of the Company (the "Articles") are articles suitable for a company of the size and with the ownership profile of the Company. They are not comparable to the customary articles for a UK public limited company. Should the Company proceed with a public listing in the United Kingdom, it will adopt new articles of association which are suitable for a company whose shares are admitted to the premium listing segment of the Official List and to trading on the main market of London Stock Exchange plc. The Articles include provisions to the following effect:

4.1 *Share classes and rights*

As of the date of this Registration Document, the Company's share capital is made up of A preference shares, B preference shares, A ordinary shares and B ordinary shares. Set out in the paragraphs below is a description of the rights, preferences and restrictions attaching to each class of Shares.

4.2 *Voting rights*

The B ordinary shares confer on each holder the right to receive notice of and attend, speak and vote at any general meeting of the Company and to vote on proposed resolutions of the Company.

Neither the A preference shares, the B preference shares nor the A ordinary shares:

(a) entitle the holders to receive notice of or to attend or vote at any general meeting of the Company, or on any resolution proposed as a written resolution; or

(b) are counted in determining the total number of votes which may be cast at any such general meeting.

4.3 ***Dividends and other distributions***

A fixed, cumulative, preferential dividend accrues on each of the Preference Shares at the following rates:

(a) 6% per annum of the issue price of each A preference share; and

(b) 12% per annum of the issue price of each B preference share,

(together, the "Preference Dividend").

The Preference Dividend on each Preference Share accrues on a daily basis from the date of issue of the Preference Share, and compounds annually on 31 March each year. The Preference Dividend for each Preference Share accrues, but is not payable, until that Preference Share is redeemed.

Each holder of Ordinary Shares has the right to participate in dividends *pro rata* to their holding, irrespective of the nominal values of their Ordinary Shares.

4.4 ***Redemptions***

The Company may redeem all or some of the Preference Shares with the consent in writing of an Investor Director ("Investor Director Consent").

Shortly before the completion of any transaction that would result in a person other than the Principal Shareholder or one of its affiliates holding 50% or more of the B ordinary shares or of a listing of the Company's shares on a recognised investment exchange (a "Listing"), the Company is required to redeem all Preference Shares then outstanding unless Shareholders holding more than 50% of the A preference shares and more than 50% of the B preference shares agree otherwise in writing.

4.5 ***Variation of rights***

The rights attached to any of the four classes of the Shares may only be varied with: (a) the written consent of the holders of at least 75% in nominal value of the issued Shares of that class; or (b) the sanction of a special resolution passed at a separate class meeting of the holders of the Shares of that class.

4.6 ***Transfer of shares***

The Articles permit transfers of A ordinary shares to be made: (a) with Investor Director Consent; or (b) pursuant to a Listing. These conditions apply equally to the transfer of any Preference Shares held by a person other than the Principal Shareholder or a Griggs Shareholder (as defined below).

B ordinary shares may be transferred (a) with the prior written consent of those persons who hold more than 50% of the B ordinary shares (the "Majority Investors"); (b) by the Principal Shareholder to any of its affiliates; or (c) pursuant to a Listing. These conditions apply equally to the transfer of any Preference Shares held by the Principal Shareholder.

Notwithstanding the above, Shares of any class held by certain specified members of the Griggs family (each, a "Griggs Shareholder") may be transferred (a) with Investor Director Consent; (b) pursuant to a Listing; or (c) to another Griggs Shareholder, to certain other members of the Griggs family or to the trustees of a Griggs family trust.

The Articles also contain provisions on compulsory transfers, tag along rights and drag along rights which supplement the above provisions.

4.7 ***Alteration of share capital***

The Articles do not restrict or prohibit the consolidation, subdivision or redemption of the Company's shares or the redenomination or reduction of its share capital, save that Investor Director Consent is required for the creation of a new class of shares.

4.8 ***Purchase of own shares***

The Articles do not restrict or prohibit the Company from purchasing its own shares, save that Investor Director Consent is required for shares to be transferred to the Company.

4.9 ***General meetings***

As a private company limited by shares, the Company is not required to hold general meetings.

4.10 ***Directors***

(a) *Number of Directors*

The Articles provide that the number of Directors shall be not less than one. There is no maximum number of Directors, unless otherwise determined by ordinary resolution.

(b) *Appointment of Directors*

Any person who is willing to act to be a Director, may be appointed, either to fill a vacancy or as an additional Director by: (a) ordinary resolution; (b) the Directors with Investor Director Consent; or (c) notice of appointment from the Majority Investors. Any Director so appointed will hold office until he or she is removed in accordance with the Articles.

Pursuant to the Articles, the Principal Shareholder has the right to appoint two Non-Executive Directors to the Board (each an "Investor Director"), save that if the Principal Shareholder ceases to hold any B ordinary shares, the Majority Investors shall have the right to appoint the Investor Directors.

(c) *Vacation of office*

The Articles set out various circumstances in which a person shall cease to be a Director, for example, if:

(i) he or she ceases to be a Director by virtue of the Act or is prohibited by law from being a Director;

(ii) he or she becomes bankrupt or makes any arrangement or composition with his or her creditors generally in satisfaction of his or her debts;

(iii) in the opinion of a registered medical practitioner, he or she becomes physically or mentally incapable of acting as a Director and may remain so for three months or more;

(iv) he or she resigns from his or her office by notice to the Company; or

(v) he or she is removed by written notice from the Majority Investors to the Company.

(d) *Alternate Director*

Any Director may, by written notice, appoint any other Director or person approved by the Directors to be his or her alternate. Each Investor Director may appoint any person (whether or not approved by the Directors) to be his or her alternate. Any Director who has appointed an alternate may at his or her discretion remove such alternate Director.

(e) *Term of office*

Save as disclosed in paragraph (c) (*Vacation of office*) above, the Articles do not contain any other provision relating to the Directors' term of office.

(f) *Remuneration of Directors*

The emoluments of any Director for his or her services to the Company as a Director or any other service which they undertake for the Company shall be determined by the Board, with Investor Director Consent, and may take any form and include any arrangements in connection with the payment of a pension, allowance or gratuity, or any death, sickness or disability benefits, to or in respect of that Director.

In addition to any remuneration to which the Directors are entitled under the Articles, they may be paid all reasonable expenses properly incurred by them in connection with their attendance at meetings of the Board or committees of the Board, general meetings or separate meetings of the holders of any class of shares or of debentures of the Company or otherwise in connection with the exercise of their powers and the discharge of their duties.

The Board has further power, with Investor Director Consent, to provide a Director with funds to meet expenditure incurred, or to be incurred, by the Director for the purposes of the Company, enabling the Director to properly perform his or her duties as an officer of the Company or to enable the Director to avoid incurring any such expenditure.

(g) *Indemnity of officers*

To the extent permitted by the Act, all past and present Directors are and will be kept indemnified out of the assets of the Company against all costs, charges, losses and liabilities incurred by them in relation to the Company or an associated company, provided that such indemnity will not apply in respect of liability incurred:

(i) to the Company or any associated company;

(ii) to pay a fine imposed in criminal proceedings or as a regulatory penalty;

(iii) defending any criminal proceedings in which the Director is convicted; or

(iv) defending civil proceedings brought by the Company or an associated company in which judgement is given against the Director.

The same indemnity applies to past and present Directors acting in their capacity as trustees of an occupational pension scheme, save that only exemptions (ii) and (iii) above apply in this context.

4.11 ***Miscellaneous***

(a) The Articles also include further provisions which are suitable for a company of the size and with the ownership profile of the Company, including the treatment of assets of the Company on a liquidation or return of capital, anti-dilution protections for Shareholders and provisions setting out which rights arise in a situation in which a third party might acquire a controlling interest in the Company.

(b) The Articles do not contain any description of the Company's objects and purposes.

5. Directors' and Senior Managers' interests

5.1 As at the date of this Registration Document, the interests in the share capital of the Company of the Directors and Senior Managers (all of which, unless otherwise stated, are beneficial and include interests of persons connected with a Director or a Senior Manager) are set out below. The interests set out below represent each individual's economic interest in the Shares of the Company and do not represent individual voting interests in the Company.

	Class A Ordinary Shares of £1 each		Class A Preference Shares of £0.00001 each		Class B Ordinary Shares of £1 each		Class B Preference Shares of £0.00001 each	
Shareholders	**Number**	**%**	**Number**	**%**	**Number**	**%**	**Number**	**%**
Paul Mason	112,500	8	—	—	—	—	—	—
Kenny Wilson	150,000	10	—	—	—	—	—	—
Jon Mortimore	82,500	6	—	—	—	—	—	—
Lynne Weedall	—	—	—	—	—	—	—	—
Tara Alhadeff	—	—	—	—	—	—	—	—
Ije Nwokorie	—	—	—	—	—	—	—	—
Robyn Perriss	—	—	—	—	—	—	—	—
Ian Rogers	—	—	—	—	—	—	—	—
Darren Campbell	75,000	5	—	—	—	—	—	—
Derek Chan	30,000	2	—	—	—	—	—	—
Ronald Garricks	15,000	1	—	—	—	—	—	—
Leslie Lane	75,000	5	—	—	—	—	—	—
Lorenzo Moretti	15,000	1	—	—	—	—	—	—
Sean O'Neill	60,000	4	—	—	—	—	—	—
Geert Peeters	67,500	5	—	—	—	—	—	—
Emily Reichwald	60,000	4	—	—	—	—	—	—
Helen Verwoert	60,000	4	—	—	—	—	—	—
Erik Zambon	30,000	2	—	—	—	—	—	—

5.2 Upon completion of the reorganisation as described in paragraph 3 (*Reorganisation*) of this Part 10 (*Additional Information*), the interests in the share capital of the Company of the Directors and Senior Managers (all of which, unless otherwise stated, are beneficial and include interests of persons connected with a Director or a Senior Manager) are set out below. The interests set out below represent each individual's economic interest in the Shares of the Company and do not represent individual voting interests in the Company

	Ordinary Shares of £0.01 each	
Shareholders	**Number**	**%**
Paul Mason	11,250,000	1.1
Kenny Wilson(1)	16,688,400	1.7
Jon Mortimore(2)	9,941,300	0.9
Lynne Weedall	—	—
Tara Alhadeff	—	—
Ije Nwokorie	—	—
Robyn Perriss	—	—
Ian Rogers	—	—
Darren Campbell	7,500,000	0.7
Derek Chan	3,000,000	0.3
Ronald Garricks	1,500,000	0.1
Leslie Lane	7,500,000	0.7
Lorenzo Moretti	1,500,000	0.1
Sean O'Neill	6,000,000	0.6
Geert Peeters	6,750,000	0.7
Emily Reichwald	6,000,000	0.6
Helen Verwoert	6,000,000	0.6
Erik Zambon	3,000,000	0.3

Notes:

(1) Consisting of 15,000,000 Shares which will be held by Kenny Wilson immediately following the Reorganisation and 1,688,400 Shares to be transferred to him by the EBT immediately prior to the expected admission to the London Stock Exchange.

(2) Consisting of 8,250,000 Shares which will be held by Jon Mortimore immediately following the Reorganisation and 1,241,300 Shares to be transferred to him by the EBT immediately prior to the expected admission to the London Stock Exchange.

5.3 No Director has or has had any interest in any transactions which are or were unusual in their nature or conditions or are or were significant to the business of the Group or any of its subsidiary undertakings and which were effected by the Group or any of its subsidiaries during the current or immediately preceding financial year or during an earlier financial year and which remain in any respect outstanding or unperformed.

5.4 Save for a loan to Kenny Wilson of £620,000 (of which £444,554 is outstanding as of the date of this Registration Document) made by Doc Topco Limited in June 2018 and loans to relevant Senior Managers in aggregate of £4,242,600 (of which £4,158,379 is outstanding as of the date of this Registration Document), in each case for the purpose of assisting the relevant individuals in acquiring Shares, there are no outstanding loans or guarantees granted or provided by any member of the Group to or for the benefit of any of the Directors or Senior Managers.

5.5 There are no family relationships between any of the Directors and/or the Senior Managers.

6. Directors' terms of employment

The Directors and their functions are set out in Part 6 (*Directors, Senior Managers and Corporate Governance*). The business address of each of the Directors is 28 Jamestown Road, Camden, NW1 7BY.

6.1 *Executive Directors*

(a) *Term of employment*

Kenny Wilson and Jon Mortimore are currently engaged under service agreements with Doc Bidco Limited for the positions of Chief Executive Officer and Chief Financial Officer respectively. In connection with the expected admission to the London Stock Exchange, it is expected that the Executive

Directors will enter into revised service agreements with the Company, which will come into effect on admission. The proposed terms of these revised service agreements are outlined below.

Each Executive Director's service agreement will be terminable by the Company or the respective Executive Director on 9 months' written notice. The Company will also be entitled to terminate an Executive Director's service agreement with immediate effect by payment in lieu of notice, equal to (i) the basic annual salary that would have been payable, and (ii) the cost that would have been incurred by the Company in providing the Executive Director with the benefits and cash pension allowance which the Executive Director would have been entitled to receive during the notice period.

(b) *Base salary*

Kenny Wilson will receive a salary of £700,000 per annum and Jon Mortimore will receive a salary of £450,000 per annum. Their salaries will be reviewed annually by the remuneration committee of the board of the Company. There is no obligation to increase the relevant Executive Director's salary following a review.

(c) *Annual bonus*

Each Executive Director will be eligible to participate in the Company's discretionary bonus plan and will be entitled to participate in such long-term incentive plans as the Company may establish for executives.

(d) *Pension and other benefits*

The Company will pay each Executive Director an annual cash allowance in lieu of a pension contribution at a rate aligned to the pension contribution made by the Company to the majority of the Group's workforce (currently 5% of salary per annum).

Each Executive Director will receive the benefit of private medical expenses insurance for himself, his spouse and any unmarried children under the age of 25 and permanent health insurance. Each Executive Director will also benefit from a life assurance arrangement providing a coverage of four times salary, as well as an annual car allowance.

(e) *Confidentiality and other undertakings*

Each Executive Director will be subject to a confidentiality undertaking without limitation in time and to non-competition, non-solicitation, non-dealing and non-hiring restrictive covenants for a period of 6 months after the termination of their respective employment arrangements.

The Executive Directors will have the benefit of a qualifying third-party indemnity from the Company (the terms of which are in accordance with the Act) and appropriate directors' and officers' liability insurance.

6.2 ***Non-Executive Directors***

(a) *Term of appointment*

Paul Mason was appointed as Chair of the Company with effect from 5 January 2021, and the terms of his appointment are outlined in a letter of appointment dated 9 January 2021. Tara Alhadeff was appointed as a Non-Executive Director of the Company with effect from 5 January 2021, and the terms of her appointment are outlined in a letter of appointment dated 9 January 2021. Lynne Weedall, Ije Nwokorie, Robyn Perriss and Ian Rogers were appointed as Independent Non-Executive Directors of the Company with effect from 11 January 2021, in each case pursuant to letters of appointment dated 8 January 2021, 8 January 2021, 8 January 2021 and 25 November 2020, respectively.

For the Chair and Non-Executive Directors other than Tara Alhadeff, each appointment is for a fixed term ending on the Company's third annual general meeting following the expected admission of the Company to the London Stock Exchange but each appointee may be invited by the Company to serve for a further period or periods. Tara Alhadeff's appointment is expected to continue for so long as she is nominated as a director pursuant to the relationship agreement to be entered into between the Company and the Principal Shareholder. In any event, each appointment is subject to annual re-election by shareholders at each annual general meeting.

The Chair's appointment may be terminated at any time by either party giving the other six months' written notice or in accordance with the Articles. Lynne Weedall, Ije Nwokorie, Robyn Perriss and Ian Rogers' appointments may be terminated at any time by either party giving the other three months' written notice or in accordance with the Articles. Tara Alhadeff's appointment may be terminated at any time by her giving the Company three months' written notice or in accordance with the Articles or the relationship agreement (as referenced above).

(b) *Remuneration and benefits*

The Chair is entitled to receive £325,500 per annum for his role as Non-Executive Chair. This fee is inclusive of membership of any Board committees.

The Independent Non-Executive Directors are entitled to receive the following fees (which are inclusive of membership of any Board committees):

Lynne Weedall: £64,800 per annum plus an additional fee of £15,000 per annum for her role as Senior Independent Director and an additional fee of £16,200 per annum for her role as chair of the remuneration committee;

Ije Nwokorie: £64,800 per annum;

Robyn Perriss: £64,800 per annum plus an additional fee of £16,900 per annum for her role as chair of the audit and risk committee; and

Ian Rogers: £64,800 per annum.

Tara Alhadeff is not entitled to any fee in respect of her directorship.

The Chair and Non-Executive Directors are entitled to reimbursement of reasonable and properly incurred expenses (including travel expenses).

(c) *Confidentiality and other undertakings*

The Chair and Non-Executive Directors are subject to confidentiality undertakings without limitation in time. The Chair is also subject to non-competition and non-solicitation restrictive covenants for the duration of his appointment and for six months following the termination of his appointment.

The Chair and Non-Executive Directors will have the benefit of a qualifying third-party indemnity from the Company (the terms of which are in accordance with the Act) and appropriate directors' and officers' liability insurance.

6.3 Save as set out in paragraphs 6.1 (*Executive Directors*) and 6.2 (*Non-Executive Directors*) above, there are no existing or proposed service agreements or letters of appointment between the Directors and any member of the Group.

6.4 *Directors' and Senior Managers' Remuneration*

Under the terms of their service contracts or letters of appointment (as applicable) and applicable incentive plans, in the financial year ended 31 March 2020, the Directors were remunerated as set out below:

Name	Position	Annual Salary or Fees(£)	Other Benefits(£)	Date of Joining the Board
Paul Mason	Chair	165,000	—	September 2015[(1)]
Kenny Wilson	Chief Executive Officer	476,722	659,290	July 2018[(2)]
Jon Mortimore	Chief Financial Officer	307,553	425,926	April 2016[(3)]
Lynne Weedall	Senior Independent Non-Executive Director	N/A	N/A	January 2021
Tara Alhadeff	Non-Executive Director	—	—	May 2015[(4)]
Ije Nwokorie	Independent Non-Executive Director	N/A	N/A	January 2021
Robyn Perriss	Independent Non-Executive Director	N/A	N/A	January 2021
Ian Rogers	Independent Non-Executive Director	N/A	N/A	January 2021

Notes:

(1) Represents the date at which Paul Mason joined the board of Doc Topco Limited. He was subsequently appointed to the board of Dr. Martens Limited in January 2021.

(2) Represents the date at which Kenny Wilson joined the board of Doc Topco Limited. He was subsequently appointed to the board of Dr. Martens Limited in January 2021.

(3) Represents the date at which Jon Mortimore joined the board of Doc Topco Limited. He was subsequently appointed to the board of Dr. Martens Limited in October 2020.

(4) Represents the date at which Tara Alhadeff joined the board of Doc Topco Limited. She was subsequently appointed to the board of Dr. Martens Limited in January 2021.

Under the terms of their service contracts and applicable incentive plans, the aggregate remuneration and benefits in kind paid or granted (as applicable) to the Senior Managers during the financial year ended 31 March 2020 for services in all capacities was approximately £4.6 million.

6.5 There is no arrangement under which any Director has waived or agreed to waive future emoluments nor has there been any waiver of emoluments during the financial year immediately preceding the date of this Registration Document.

6.6 ***Directors' and Senior Managers' current and past directorships and partnerships***

Set out below are the directorships and partnerships held by the Directors and Senior Managers (other than, where applicable, directorships held in the Company and its subsidiaries and the subsidiaries of the companies listed below), in the five years prior to the date of this Registration Document:

Name	Current directorships / partnerships	Past directorships / partnerships
Paul Mason	Gaucho Acquisitions Limited Gaucho Grill Holdings Limited Gaucho Group Limited Gaucho Holdings Limited Inhoco 4065 Limited Malbec Midco 1 Limited Malbec Midco 2 Limited Malbec Topco Limited Pan European Restaurants Limited	Cath Kidston Acquisitions Limited Cath Kidston EBT Limited Cath Kidston Group Limited CAU Restaurants Limited CKL Realisations Limited Gaucho Grill Limited Gioma (UK) Limited Jake Holdings Limited Malbec Bidco Limited The Invicta Film Partnership No. 14, LLP
Kenny Wilson	—	Cath Kidston Group Limited CKL Realisations Limited
Jon Mortimore	—	—
Lynne Weedall	LW2019Ltd Stagecoach Plc Treatt Plc William Hill Plc	Greene King plc Selfridges Group
Tara Alhadeff	Golden Goose SpA Hazel ParentCo SAS Permira Advisers LLP SixPlatform VIII Limited	—
Ije Nwokorie	Charity Global (UK) Chineke! foundation The Institute Of International Visual Arts	Alpha Cube Limited Home Made Property Limited Malaria No More UK The RoundUp Organisation Wolff Olins
Robyn Perriss	Next 15 Communications Group plc Softcat plc	Rightmove Group Limited Rightmove Home Information Packs Limited Rightmove plc Rightmove Rent Services Limited Rightmove.co.uk Limited The Outside View Analytics Ltd
Ian Rogers	Lyst Limited	—
Darren Campbell . . .	—	—
Derek Chan	—	—
Ronald Garricks	Effectual Solutions Limited	Hasti Limited
Leslie Lane	—	Blue Nile Inc.
Lorenzo Moretti	—	Blueace Limited Leatherfolk Limited Office Holdings Limited Office Internet Limited Office Retail Group Limited Office Retail Limited Office Retail Midco 1 Limited Office Retail Midco 2 Limited Offshoot (Wholesale) Limited

Name	Current directorships / partnerships	Past directorships / partnerships
		Offspring Holdings Limited Offspring Internet Limited Offspring Limited Offspring London Limited Truworths UK Holdco 2 Limited Truworths UK Holdco 3 Limited
Sean O'Neill	—	Scotch & Soda Retail B.V. Sun European Partners LLP
Geert Peeters	Gimv NV Vlaamse Participatiemaatschappij (VPM)	Cath Kidston Group Limited CKL Realisations Limited
Emily Reichwald . . .	—	National Energy Action
Helen Verwoert	—	—
Erik Zambon	—	—

6.7 Within the period of five years preceding the date of this Registration Document, none of the Directors:

(a) has had any convictions in relation to fraudulent offences;

(b) has received any official public incrimination and/or sanction by any statutory or regulatory authorities (including designated professional bodies) or has ever been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of a company or from acting in the management or conduct of affairs of a company; or

(c) has been a member of the administrative, management or supervisory bodies or director or senior manager (who is relevant in establishing that a company has the appropriate expertise and experience for management of that company) of any company at the time of or within a 12 month period preceding any bankruptcy, receivership, liquidation or entry into administration of such company, save that Paul Mason is a director of Gaucho Group Limited and certain affiliated companies (Gaucho Acquisitions Limited, Gaucho Grill Holdings Limited, Gaucho Group Limited, Gaucho Holdings Limited, Inhoco 4065 Limited, Malbec Midco 1 Limited, Malbec Midco 2 Limited, Malbec Topco Limited and Pan European Restaurants Limited), which had Glyn Mummery of FRP Advisory LLP appointed as liquidator on 18 October 2018.

7. Principal Shareholders

7.1 In so far as is known to the Directors, the following are the interests (within the meaning of Part 22 of the Act) which represent, directly or indirectly, 3% or more of the issued share capital of the Company as at the date of this Registration Document:

	Class A Ordinary Shares of £1 each		Class A Preference Shares of £0.00001 each		Class B Ordinary Shares of £1 each		Class B Preference Shares of £0.00001 each	
Shareholders	**Number**	**%**	**Number**	**%**	**Number**	**%**	**Number**	**%**
IngreLux S.àr.l.(1)	—	—	—	—	7,349,552	86	124,664,712	97
Griggs Shareholders(2)	—	—	37,626,266	100	944,236	11	—	—
Management Shareholders(3)	832,500	56	—	—	—	—	—	—
Intertrust Employee Benefit Trustee Limited(4)	135,000	9	—	—	—	—	—	—
Other employees(5)	292,500	20	—	—	11,990	0	204,035	0
Former employees and others(6)	240,000	16	—	—	155,867	2	2,652,465	2

Notes:

(1) IngreLux S.àr.l. is the direct shareholder in the Company and is wholly owned by funds advised by Permira Advisers LLP. Total shareholding represents 73.50% of the economic value of the Ordinary Shares and 75.19% of the economic value of the Preference Shares.

(2) Certain members of the Griggs family and certain Griggs family trusts. Total shareholding represents 9.44% of the economic value of the Ordinary Shares and 22.69% of the economic value of the Preference Shares.

(3) Directors and Senior Managers of the Global Leadership Team. Total shareholding represents 8.32% of the economic value of the Ordinary Shares and 0.00% of the economic value of the Preference Shares.

(4) Acting as trustee of the Doc Topco Limited Employment Benefit Trust. Total shareholding represents 1.35% of the economic value of the Ordinary Shares and 0.00% of the economic value of the Preference Shares.

(5) Current employees of the Group who are not Directors or members of the Global Leadership Team. Total shareholding represents 3.04% of the economic value of the Ordinary Shares and 0.12% of the economic value of the Preference Shares.

(6) Total shareholding represents 4.34% of the economic value of the Ordinary Shares and 1.99% of the economic value of the Preference Shares.

7.2 Save as disclosed above, in so far as is known to the Directors, there is no other person who is, as at the date of this Registration Document, directly or indirectly, interested in 3% or more of the issued share capital of the Company, or of any other person who can, will or could, directly or indirectly, jointly or severally, exercise control over the Company. The Directors have no knowledge of any arrangements the operation of which may at a subsequent date result in a change of control of the Company. As described in paragraph 4.2 (*Voting rights*) of this Part 10 (*Additional Information*), voting rights are only available to holders of B ordinary shares. As such, the Company's Principal Shareholder, as the holder of 86% of the B ordinary shares, has different voting rights compared to the holders of A ordinary shares, A preference shares and B preference shares.

8. Pensions

The Group provides retirement benefits to certain of its current and former employees through a number of pension arrangements including the Group's pension plan in the UK, which has both defined benefit and defined contribution sections.

In the UK, the Group offers a defined contribution pension plan which is open to all of the Group's UK employees. As at 30 September 2020, there were 674 active members and 629 deferred members of the defined contribution pension plan. The Group's contribution to the defined contribution pension plan amounted to £4.8 million for the year ended 31 March 2020 and £2.5 million for the six months ended 30 September 2020, and as at 30 September 2020 £0.7 million remained payable to the pension fund.

The Group's defined benefit pension plan, the Dr Martens Airwair Group Pension Plan, was closed to new members on 6 April 2002 and to future accrual of benefits on 31 January 2006. At the last triennial valuation (June 2019) the assets of the scheme had a value of £75.6 million with the liabilities valued at £70.8 million such that the scheme had a surplus of £4.9 million.

The Group also has additional pension arrangements in most jurisdictions in which it operates. In the United States, the Group provides retirement benefits via contributions into a pre-tax account and a post-tax Roth account. In Hong Kong, eligible employees are enrolled to the Mandatory Provident Fund scheme, under which both the employer and the employee are required to make the statutory mandatory contributions (i.e. 5% of the employee's relevant income, subject to the maximum amount required under Hong Kong law), and for employees who have completed five years of service or more, the employer is required to make additional voluntary contributions equal to 5% of the employee's relevant income (subject to the maximum amount permitted under law). In Japan, all employees between the ages of 20 and 59 (excluding university students) who reside in Japan, irrespective of nationality, must by law be covered by the National Pensions System and must pay contributions. In addition, the Group operates a defined contribution scheme in Japan (where all permanent employees of Dr Martens Airwair Japan KK are eligible for entry into this scheme), in which the employer contributes 3.5% of each individual's monthly base salary. In South Korea, all employees (including contract employees) under 60 are covered by the National Pensions Service, with the employer and employee contributing 4.5% of an employee's wages each month. The Group also makes mandatory payments into a severance pay system operated by KEB Hana Bank Retirement Pension, whereby the employer contributes one-month's salary per year for all employees who have been continuously employed for at least one year. In China, all employers and employees are required to make contributions to a pension fund (16% and 8%, respectively, in Shanghai and 13% and 8%, respectively in Zhuhai) and unemployed insurance fund (0.5% and 0.5%, respectively, in Shanghai and 0.32% and 0.2%, respectively, in Zhuhai).

For the Senior Managers and other members of management, the Group will match pension contributions up to 10% per employee compared to a maximum of 5% for other employees.

9. Subsidiaries, investments and principal establishments

Subsidiaries and subsidiary undertakings

The Company is the principal holding company of the Group. As at the date of this Registration Document, the subsidiaries and subsidiary undertakings of the Company (excluding any companies in liquidation) are as follows:

Name	Country of incorporation	Ownership	Primary field of activity
Airwair International Limited[1]	England and Wales	100%	Footwear retail and distribution
Dr Martens Airwair USA LLC[2]	USA	100%	Footwear retail and distribution
Dr Martens Airwair (Zhuhai) Company Limited[3]	China	100%	Manufacturing support
Dr Martens Airwair Hong Kong Limited[4]	Hong Kong	100%	Footwear retail and distribution
Dr Martens Airwair Korea Limited[5]	Korea	100%	Footwear retail and distribution
Dr Martens Airwair Japan KK[6]	Japan	100%	Footwear retail and distribution
Dr Martens Airwair Belgium N.V[7]	Belgium	100%	Footwear retail and distribution
Dr Martens Airwair France S.A.S[8]	France	100%	Footwear retail and distribution
Dr Martens Netherlands B.V[9]	Netherlands	100%	Footwear retail and distribution
Doc Topco Limited[1]	England and Wales	100%	Management company
Doc Debtco Limited[1]	England and Wales	100%	Management company
Ampdebtco Limited[10]	England and Wales	100%	Management company
Doc Midco Limited[1]	England and Wales	100%	Management company
Doc Bidco Limited[1]	England and Wales	100%	Management company
Dr Martens Airwair Group Limited[1]	England and Wales	100%	Management company
Airwair (1994) Limited[1]	England and Wales	100%	Management company
Airwair (1996) Limited[1]	England and Wales	100%	Management company
GFM Trademarks GmbH[11]	Germany	50%	Trademark registration
Airwair Property Limited[1]	England and Wales	100%	Property Investment
Airwair Limited[1]	England and Wales	100%	Management company
Dr Martens Airwair (Ireland) Limited[12]	Republic of Ireland	100%	Footwear retail and distribution
DM Germany GmbH[13]	Germany	100%	Footwear retail and distribution
DM Sweden AB[14]	Sweden	100%	Footwear retail and distribution
Dr Martens Italy SRL[15]	Italy	100%	Footwear retail and distribution
Shanghai Airwair Trading Ltd[16]	China	100%	Footwear retail and distribution
Dr. Martens Airwair Spain S.L.U[17]	Spain	100%	Footwear retail and distribution
Dr Martens Sports & Leisure Limited[1]	England and Wales	100%	Dormant
Dr Martens Airwair Singapore PTE Limited[18]	Singapore	100%	Dormant
Dr Martens Airwair & Co Limited[1]	England and Wales	100%	Dormant

Name	Country of incorporation	Ownership	Primary field of activity
Dr Martens Dept. Store Limited[1]	England and Wales	100%	Dormant
Dr Martens Airwair Limited[1]	England and Wales	100%	Dormant

Notes:

(1) Cobbs Lane, Wollaston, Northamptonshire, England, NN29 7SW

(2) 10 Northwest, 10th Avenue, Portland, Oregon, USA, 97209

(3) No. 05, F28. Seat B, No. 2021, Jiuzhou Avenue West, Zhuhai 519000, China

(4) Unit 2306-11, 23F, Sun Life Tower, The Gateway Tower 5, Habour City, 15 Canton Road, Tsim Sha Tsui, Hong Kong

(5) 1F, Yanghwa-ro 10-gil 45, Mapo-gu, Seoul, South Korea

(6) 5-2-28 Jingumae, Shibuya, Tokyo, Japan 150-0001

(7) Square De L'Atomium 1 b165, 102 Brussels, Belgium

(8) 36 Rue Des Petits Champs, 75002, Paris, France

(9) Luna Arena, Herikerberweg 238, Amsterdam, 1101 CM, Netherlands

(10) C/O Alter Domus (UK) Limited, 18 St Swithin's Lane, London, United Kingdom, EC4N 8AD

(11) An Der Arch 3, 82402, Bayern, Germany

(12) Kilmore House, Park Lane, Spencer Dock, Dublin, Ireland D01 YE64

(13) Thurn-und-Taxis-Platz 6, 60313 Frankfurt am Main, Germany

(14) Blekingegatan 48, 116 62 Stockholm, Sweden

(15) Milano (MI) Corso, Vercelli 40 CAP 20145

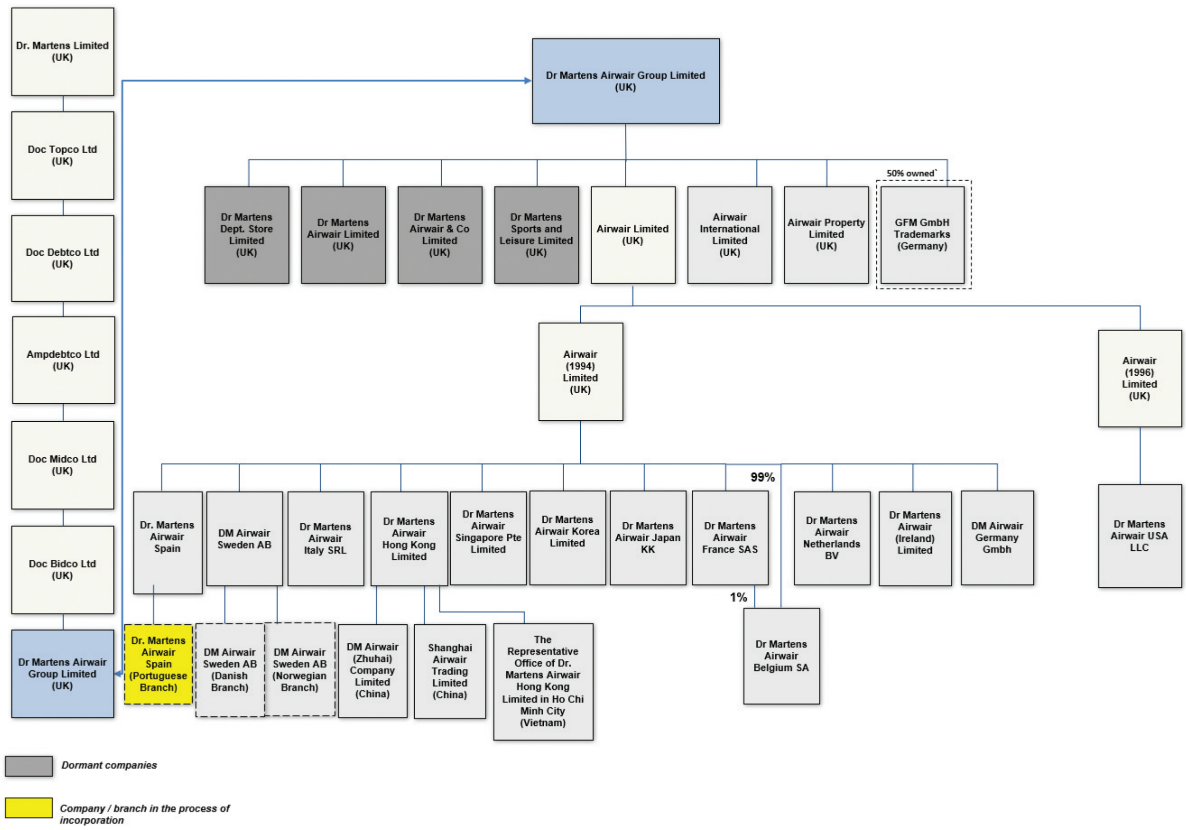
(16) No. 101-217, Floor 1, No.5 Building, Alley 128, Linhong Road, Changning, District, Shanghai

(17) C/ Principe de Vergara, 112, 4 floor, 28002, Madrid

(18) 77 Robinson Road, 13-00 Robinson 77, Singapore 068896

Group structure

The following structure chart illustrates the Group structure as at the date of this Registration Document.



10. Statutory auditors

The auditors of the Group are Ernst & Young LLP, whose registered address is at 1 More London Place, London, SE1 2AF, United Kingdom. Ernst & Young LLP are registered to carry out audit work by the Institute of Chartered Accountants in England and Wales. Ernst & Young LLP have audited the statutory consolidated annual accounts of the Group as at and for the years ended 31 March 2018, 2019 and 2020 and have reported under Section 495 of the Act in respect of these statutory annual accounts and such reports were unqualified and did not contain a statement under Sections 498(2) or 498(3) of the Act.

The Company was incorporated on 19 October 2020 and the end of its first financial period is 31 March 2021. The Company has appointed Ernst & Young LLP as auditor.

11. Material contracts

The following contracts (not being contracts entered into in the ordinary course of business) have been entered into by the Company or another member of the Group: (a) within the two years immediately preceding the date of this Registration Document which are, or may be, material to the Company or any member of the Group, or (b) at any time and contain provisions under which the Company or any member of the Group has an obligation or entitlement which is, or may be, material to the Company or any member of the Group as at the date of this Registration Document:

11.1 ***Brand licensing arrangements***

Overview

The Group uses a combination of owned and licensed-in brands.

Airwair International Limited ("Airwair International")—a member of the Group—owns a number of trade marks including "AIRWAIR", the AIRWAIR ball device, the AIRWAIR script device and various trade dress features including the yellow stitching, the DMS sole pattern and grooved elements, heel loops and overall footwear configurations.

However, the "Dr. Martens" and "Dr. Maertens" brands and various associated trade marks are owned by the Trademark and Patent Association "Dr. Maertens—Dr. Funck" GbR, a German civil law partnership ultimately represented by members of the Maertens and Funck families (the "Licensor"), and are used by the Group under the "Dr. Martens Trademark Licensing Agreement 2019" between Dr. Martens Airwair Group Limited ("Airwair"), Airwair International (together with Airwair, the "Licensee"), the Licensor, and GFM GmbH Trademarks ("GFM") (the "2019 Licence"). The 2019 Licence replaced an earlier "Dr. Martens Trademark Licensing Agreement 2012" and is the latest in a series of trade mark licences and related agreements between the Licensor and the Licensee (or their predecessors) dating back to 1960.

GFM is a German company owned jointly by Airwair (50%) and the managing partners of the members of the Licensor ("Dr. Maertens" Marketing GmbH and "Dr. Martens" International Trading GmbH) (25% each) for the purpose of registering and administering the rights of the Licensor and the Licensee in certain trade marks combining the "Dr. Martens" and "AIRWAIR" trade marks (the "Composite Mark"), and in certain other intellectual property rights. The relationship between GFM, the Licensor and the Licensee in relation to the Composite Mark and these other intellectual property rights is governed by the so-called "Gin Tonic Agreements" (comprising Gin Tonic I and Gin Tonic II).

Key terms

2019 Licence

The 2019 Licence was signed on 5 December 2019 with an effective date of 1 April 2019. It replaces a number of previous licences, agreements and arrangements dating back to 1960. The 2019 Licence provides that it will remain in force indefinitely, subject to certain termination rights (as described below) (but excludes any right of termination without cause). The 2019 Licence is governed by German law.

The Licensee is granted the exclusive, worldwide right to use various trade marks owned by the Licensor (including DR. MARTENS) and GFM (including the Composite Mark) (together, the "Trade Marks") and to manufacture, produce, provide, promote, sell, distribute, import, export and merchandise products and services in conjunction with the Trade Marks. It also has broad sublicensing rights. The Licensee's right to use certain trade marks for or containing DR. MAERTENS is expressed as an "exclusive" licence. For the other Trade Marks, the Licensee's exclusivity is based on a prohibition on the Licensor (among other things) using the Trade Marks itself, selling products under the Trade Marks, or allowing third parties to do any of the prohibited things.

Royalties are payable to the Licensor based on a percentage of the total revenue of Airwair and its subsidiaries ((i) 2.5% of total revenue up to £200 million plus (ii) 2.0% of total revenue exceeding £200 million up to £400 million plus (iii) 1.5% of total revenue exceeding £400 million) with a minimum quarterly royalty (approximately €1.2 million), which is applied as a credit against the variable annual royalty and adjusted annually for inflation.

The 2019 Licence imposes a number of obligations and other brand use requirements on the Licensee, including:

- providing various quarterly, semi-annual and annual reports and accounts to the Licensor;
- using reasonable effort to maintain the "Dr. Martens" brand image to the reasonable satisfaction of the Licensor, and using the "primary" and "secondary" Trade Marks (as identified in the 2019 Licence) continuously;
- agreeing with the Licensor the registration and ownership of any new trade marks the Licensee develops in connection with its business (and using GFM to hold such new trade marks if the Licensor and Licensee cannot otherwise agree who should own them);
- providing sample products to the Licensor and allowing annual inspections of manufacturing premises; and
- various other requirements relating to the appearance of the Trade Marks (e.g. the form and dimensions of the "Resistance Rectangle" used on soles).

The 2019 Licence allows the Licensee to use the Trade Marks in relation to certain permitted classes of goods and services, including classes covering footwear, clothing, headwear, polishes, protective shoes, precious metals and jewellery, leather and leather imitation products (such as bags), advertising, and repair services. In addition, the Licensee may use the Trade Marks for 'gifts with purchase' and retail services connected with the permitted products. The Licensee may only use the Trade Marks outside of the permitted classes of goods and services with the Licensor's consent (not to be unreasonably withheld).

Responsibility for the cost of registration and maintenance of the Trade Marks depends on the category of trade mark, but the Licensee is responsible for operating an "Enforcement Programme" outlined in the 2019 Licence. The Licensee has a right of first refusal if the Licensor wishes to sell or assign any of its rights or interests in the Trade Marks.

The Licensor has the right to terminate the 2019 Licence for the Licensee's insolvency, serious and substantial unremedied breach (giving the examples of: failure to pay royalties; failure to use reasonable efforts to promote and sell relevant products; and failure to use reasonable efforts to maintain the quality of the products and services and the "Dr. Martens" brand image at a level reasonably satisfactory to the Licensor) (each providing for a 90 day period to remedy the breach), and challenging the Licensor's ownership of relevant trade marks.

Gin Tonic I

Gin Tonic I refreshes a previous agreement and relates to the use and registration of the Composite Mark.

The Licensee is responsible for the costs of registration, use, protection and cancellation of the Composite Mark. In exchange for GFM's services under Gin Tonic I, the Licensor and Licensee shall pay GFM an aggregate annual fee of EUR 6,000 plus VAT.

Gin Tonic I is governed by German law and its terms state that it shall remain in force as long as the 2019 Licence (or any replacement licence) is in force. If Gin Tonic I is terminated, GFM shall cancel the registration of the Composite Mark in all trade mark registers worldwide and the Licensee shall take such steps as may be necessary in respect of the cancellation of the recordals of registered user agreements.

Gin Tonic II

Gin Tonic II refreshes a previous agreement and relates to the use and registration of certain other intellectual property rights held by GFM, including the "Cubeflex" trade mark and trade marks for various footwear sole patterns. Gin Tonic II also addresses the registration of certain domain names in the name of GFM.

The Licensee is responsible for the costs of registration, use, protection, cancellation, transfer and re-registration of the trade marks covered by Gin Tonic II. In exchange for GFM's services under Gin Tonic II, the Licensor and Licensee shall pay GFM an aggregate annual fee of EUR 6,000 plus VAT.

Gin Tonic II is governed by German law and shall terminate when the 2019 Licence is terminated.

If Gin Tonic II is terminated, GFM shall: (i) cancel the DMS sole pattern with Resistance Rectangle in all trade mark registers worldwide; (ii) assign the DMS sole pattern without the Resistance Rectangle to the Licensee and the "1460" and "Cubeflex" trade marks to the Licensor; and (iii) assign any future trade marks to the Licensee or Licensor as agreed between them on a case by case basis or, failing that agreement, split 50:50 between them as judged by an independent third party.

11.2 ***Investment Agreement***

The Company, together with its Shareholders and certain of its subsidiaries, is party to an investment agreement dated 14 January 2014 and varied with the agreement of the parties on 11 December 2020 (the "Investment Agreement"). The Investment Agreement regulates the relationship of the Shareholders as shareholders in the Company.

The Investment Agreement contains provisions that, together with the Articles, govern matters such as decisions requiring the consent of the Shareholders (or certain Shareholders or the holders of particular classes of Shares or an Investor Director, as the case may be), anti-dilution provisions, board composition and appointment rights, proceedings of the Board and delegation to Board committees, Shareholder and Investor Director information rights, restrictions on Share transfers, non-compete and other restrictive covenants and other corporate governance matters.

Pursuant to the Investment Agreement, the Principal Shareholder is entitled from time to time to appoint to (and remove from) the Board and the board of directors of any other member of the Group and any committee thereof two Investor Directors. If the Principal Shareholder ceases to hold any B ordinary shares, the Principal Shareholder's Investor Director appointment rights will pass to the Majority Investors. In addition, the Majority Investors are entitled from time to time to appoint to (and remove from) the Board and the board of directors of any other member of the Group and any committee thereof such number of directors as they may direct (whether executive or non-executive and including a non-executive chair).

11.3 ***Reorganisation Deed***

The Reorganisation Deed between the Company, the Intermediate Holding Companies, the Principal Shareholder, Intertrust Employee Benefit Trustee Limited and the Minority Shareholders was entered into on 11 December 2020 in order to set out the agreement on the steps of the Reorganisation.

11.4 ***The Group's financing arrangements***

Senior Facilities Agreement

Doc Midco Limited (the "Parent"), an indirect subsidiary of the Company, Doc Bidco Limited (the "Borrower"), the direct subsidiary of the Parent, the financial institutions listed therein as original lenders and Barclays Bank PLC as facility agent and security trustee, among others, entered into a term and revolving facilities agreement dated 23 October 2013 (as amended and/or restated from time to time) (the "Senior Facilities Agreement") consisting of: (i) term loan facilities in an aggregate principal amount of £85.0 million (the "Term Loan Facilities") comprising a £18.0 million amortising term loan A ("Facility A"), a £32.0 million term loan B ("Facility B") and a £35.0 million term loan C ("Facility C"); and (ii) a multicurrency revolving credit facility in an aggregate committed amount of £105.0 million (the "RCF").

The termination date applicable to the Term Loan Facilities is as follows: (i) in relation to Facility A, 14 January 2020 (and accordingly Facility A has been repaid in full as at the date hereof); (ii) in relation to Facility B, 14 January 2022; and (iii) in relation to Facility C, 14 July 2022. As at 30 September 2020, an aggregate principal amount equal to £68.1 million (together with accrued but unpaid interest of approximately £6.1 million) was outstanding under the Term Loan Facilities. Facility B accrues interest at a rate equal to LIBOR (or EURIBOR in respect of any loans redenominated into euro) plus an applicable margin. Facility C accrues interest at a rate equal to the greater of (i) LIBOR (or EURIBOR in respect of any loans redenominated into euro); and (ii) 1.5%, plus, in each case, an applicable margin.

The RCF may be utilised to finance the working capital and the general corporate purposes of the Group. The RCF is available to be utilised in pounds sterling, Euro, US Dollars and any other currency approved by all of the lenders participating in the RCF. As at 30 September 2020, loans in an aggregate principal amount equal to £20.0 million were outstanding under the RCF. The termination date applicable to the RCF is 14 October 2021. The RCF accrues interest at a rate equal to EURIBOR (in respect of a loan in euro) or LIBOR (or any other applicable benchmark rate in respect of any loan in a currency other than euro) plus, in each case, an applicable margin.

Subject to certain exceptions, the Senior Facilities Agreement limits the ability of the Parent, the Borrower and any of their subsidiaries to, among other things, declare, make or pay dividends or other distributions, make certain acquisitions or disposals, grant security, incur debt and grant any guarantees.

In the event of a public listing of the Company, the Group intends to refinance all amounts outstanding under the Senior Facilities Agreement with new external debt facilities.

12. Litigation

There are no governmental, legal or arbitration proceedings (including such proceedings which are pending or threatened of which the Company is aware) during the 12 months preceding the date of this Registration Document, which may have, or have had in the recent past, a significant effect on the Company's and/or the Group's financial position or profitability.

13. Related party transactions

Save as described in Note 23 of Section B of Part 9 (*Historical Financial Information*) and paragraphs 10.2 (*Investment Agreement*) and 10.3 (*Reorganisation Deed*) of this Part 10 (*Additional Information*), no member of the Group entered into any related party transactions between 1 April 2017 and the date of this Registration Document.

14. No significant change

There has been no significant change in the financial position or financial performance of the Group since 30 September 2020, the date to which the latest historical financial information of the Group was prepared.

15. Consents

Ernst & Young LLP has given and has not withdrawn its written consent to the inclusion in this Registration Document of its report in Section A of Part 9 (*Historical Financial Information*), and has authorised the contents of this report as part of this Registration Document for the purposes of item 1.3 of Annex 1 of Commission Delegated Regulation (EU) 2019/980 as it forms part of retained EU law as defined in the EU (Withdrawal) Act 2018.

16. General

The financial information contained in this Registration Document does not amount to statutory accounts within the meaning of section 434(3) of the Act.

17. Documents available for inspection

Copies of the following documents will be available on the Group's website, at www.drmartensplc.com, for a period of 12 months following the date of this Registration Document:

(a) the Articles; and

(b) the consent letter referred to in paragraph 15 (*Consents*) of this Part 10 (*Additional Information*).

This Registration Document will be published in electronic form and be available on the Group's website at www.drmartensplc.com.

Dated: 11 January 2021

PART 11

Definitions and Glossary

The following definitions apply throughout this Registration Document unless the context requires otherwise:

"2019 Licence"	the Dr. Martens Trademark Licensing agreement 2019 between the Licensee, the Licensor and GFM
"Act" or "Companies Act" .	the UK Companies Act 2006, as amended, modified or re-enacted from time to time
"Airwair"	Dr. Martens Airwair Group Limited
"Airwair International" . . .	Airwair International Limited
"APAC"	Asia-Pacific
"Articles"	the current Articles of Association of the Company
"Board"	the board of directors of Doc Topco Limited prior to the Share-for-Share Exchange and, upon the Share-for-Share Exchange taking effect, the board of directors of the Company
"Brexit"	the United Kingdom's decision to leave the European Union under Article 50 of the 2009 Lisbon Treaty
"CAGR"	compound annual growth rate
"Chief Executive Officer" or "CEO"	the chief executive officer of the Company
"Chief Financial Officer" or "CFO"	the chief financial officer of the Company
"Company"	Dr. Martens Limited
"Composite Mark"	certain trade marks combining the "Dr. Martens" and "AIRWAIR" trade marks
"Directors"	the Executive Directors and the Non-Executive Directors of the Company
"Dr. Martens" or "Group" .	Doc Topco Limited and its subsidiaries and subsidiary undertakings prior to the Share-for-Share Exchange and, upon the Share-for-Share Exchange taking effect, the Company and its subsidiaries and subsidiary undertakings
"EMEA"	Europe, the Middle East and Africa
"EU"	the European Union
"EURIBOR"	Euro Interbank Offered Rate
"euro" or "€"	the currency introduced at the start of the third stage of the European economic and monetary union pursuant to the Treaty establishing the European Community, as amended
"Executive Directors"	the executive Directors of the Company
"FCA"	the Financial Conduct Authority
"FCPA"	the US Foreign Corrupt Practices Act
"FSMA"	the Financial Services and Markets Act 2000, as amended
"FTE"	full-time equivalent
"GDPR"	the General Data Protection Regulation (Regulation (EU) 2016/679)
"GFM"	GFM GmbH Trademarks
"Global Leadership Team" .	the Senior Managers of the Group
"Governance Code"	the UK Corporate Governance Code published by the Financial Reporting Council, as amended from time to time

"HIBOR" . . . . Hong Kong Interbank Offered Rate

"IFRS" . . . . International Financial Reporting Standards, as adopted by the European Union

"IFRS 16" . . . . IFRS 16—Leases, which the Group adopted from 1 April 2019 under the Modified Retrospective Approach

"Intermediate Holding Companies" . . . . Doc Debtco Limited, Ampdebtco Limited, Doc Midco Limited and Doc Bidco Limited

"Investment Agreement" . . the investment agreement dated 14 January 2014 and varied with the agreement of the parties on 11 December 2020 entered into between the Company, its Shareholders and certain of its subsidiaries, which regulates the relationship of the Shareholders as shareholders in the Company

"Investor Director" . . . . . . a Non-Executive Director appointed by the Principal Shareholder

"KPI" . . . . key performance indicator

"LIBOR" . . . . London Interbank Offered Rate

"Licensee" . . . . Dr. Martens Airwair Group Limited and Airwair International

"Licensor" . . . . "Dr. Maertens—Dr. Funck" GbR, a German civil law partnership ultimately represented by members of the Maertens and Funck families

"Minority Shareholder" . . . individual and corporate Shareholders other than the Principal Shareholder

"Modern Slavery Act" . . . . the Modern Slavery Act 2015

"Non-Executive Directors" . the non-executive Directors of the Company

"Non-IFRS measures" . . . . unaudited financial measures that are not defined or recognised under IFRS or any other generally accepted accounting principles, including EBITDA, EBITDA (pre-IFRS 16), EBITDA margin, EBITDA (pre-IFRS 16) margin, operating cash flow. operating cash flow conversion and like-for-like growth

"NPS" . . . . Net Promoter Score, based on the Group's August 2020 consumer survey of those who had purchased from a brand in the previous 24 months responding to "How likely are you to recommend the following brands of footwear to a friend?"

"Ordinary Shares" . . . . . . the A ordinary shares of £1 each and the B ordinary shares of £1 each in the capital of the Company, each having the rights and being subject to the restrictions set out in the Articles

"PCAOB" . . . . the Public Company Accounting Oversight Board (United States)

"Permira Funds" . . . . the funds advised by Permira Advisers LLP

"Preference Shares" . . . . . the A preference shares of £0.00001 each and the B preference shares of £0.00001 each in the capital of the Company, each having the rights and being subject to the restrictions set out in the Articles

"Principal Shareholder" . . . IngreLux S.àr.l.

"Prospectus Regulation" . . . Regulation EU 2017/1129 and amendments thereto

"Prospectus Regulation Rules" . . . . the prospectus regulation rules of the FCA made pursuant to Section 73A of FSMA, as amended

"qualified institutional buyers" or "QIBs" . . . . . . has the meaning given by Rule 144A

"Registration Document" . . the final registration document approved by the FCA (as competent authority under Regulation (EU) 2017/1129 as it forms part of retained EU law as defined in the EU (Withdrawal) Act 2018) as a registration document prepared in accordance with the Prospectus Regulation Rules

"Reorganisation"	the reorganisation as described in paragraph 3 (*Reorganisation*) of Part 10 (*Additional Information*)
"Reorganisation Deed"	the reorganisation deed dated 11 December 2020, entered into between the Company, the Intermediate Holding Companies, the Principal Shareholder, Intertrust Employee Benefit Trustee Limited and the Minority Shareholders described in 11.3 (*Reorganisation Deed*) of Part 10 (*Additional Information*)
"Rule 144A"	Rule 144A under the US Securities Act
"Senior Managers"	those individuals identified as such in Part 6 (*Directors, Senior Managers and Corporate Governance*)
"SEO"	search engine optimisation
"Share-for-Share Exchange"	the share-for-share exchange as described in paragraph 3 (*Reorganisation*) of Part 10 (*Additional Information*)
"Shareholders"	the holders of Shares in the capital of the Company
"Shares"	the Ordinary Shares and the Preference Shares
"sterling" or "pounds sterling" or "UK sterling" or "GBP" or "£" or "pence"	the lawful currency of the United Kingdom
"Trade and Cooperation Agreement"	the 24 December 2020 trade and cooperation agreement between the United Kingdom and the European Union
"Trade Marks"	the various trade marks owned by the Licensor (including DR. MARTENS) and GFM (including the Composite Mark)
"UK Bribery Act"	the UK Bribery Act 2010
"United Kingdom" or "UK"	the United Kingdom of Great Britain and Northern Ireland
"United States" or "US"	the United States of America, its territories and possessions, any State of the United States of America, and the District of Columbia
"US dollar" or "US$" or "USD" or "$"	the lawful currency of the United States of America
"US GAAS"	auditing standards generally accepted in the United States
"US Securities Act"	the United States Securities Act of 1933, as amended

Toppan Merrill, London
20-39497-1