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IMPORTANT: You must read the following disclaimer before continuing. This electronic transmission applies to the attached Prospectus and you are therefore advised to read this disclaimer carefully before reading, accessing or making any other use of the attached prospectus (the "Prospectus") relating to Dr. Martens plc (the "Company") dated 29 January 2021 accessed from this page or otherwise received as a result of such access and you are therefore advised to read this disclaimer carefully before reading, accessing or making any other use of the attached Prospectus. In accessing the attached Prospectus, you agree to be bound by the following terms and conditions, including any modifications to them from time to time, each time you receive any information from us as a result of such access. You acknowledge that this electronic transmission and the delivery of the attached Prospectus is confidential and intended for you only and you agree you will not forward, reproduce or publish this electronic transmission or the attached Prospectus to any other person. The Prospectus has been prepared solely in connection with the proposed offer to certain institutional investors (the "Offer") of ordinary shares (the "Shares") of the Company. The Prospectus has been published in connection with the admission of the Shares to the premium listing segment of the Official List of the UK Financial Conduct Authority (the "FCA") and to trading on London Stock Exchange plc's main market for listed securities (together, "Admission"). The Prospectus has been approved by the FCA as a prospectus prepared in accordance with the Prospectus Regulation Rules made under section 73A of the Financial Services and Markets Act 2000. The Prospectus is available on the Company's website at www.drmartensplc.com. Pricing information and other related disclosures are expected to be published on this website. Prospective investors are advised to access such information prior to making an investment decision.

THIS ELECTRONIC TRANSMISSION AND THE ATTACHED PROSPECTUS MAY ONLY BE DISTRIBUTED IN "OFFSHORE TRANSACTIONS" AS DEFINED IN, AND IN RELIANCE ON, REGULATION S UNDER THE US SECURITIES ACT OF 1933, AS AMENDED (THE "US SECURITIES ACT") OR WITHIN THE UNITED STATES TO PERSONS REASONABLY BELIEVED TO BE QUALIFIED INSTITUTIONAL BUYERS ("QIBs") AS DEFINED IN RULE 144A UNDER THE US SECURITIES ACT ("RULE 144A") OR ANOTHER EXEMPTION FROM, OR TRANSACTION NOT SUBJECT TO, REGISTRATION UNDER THE US SECURITIES ACT. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THE ATTACHED PROSPECTUS IN WHOLE OR IN PART IS UNAUTHORISED. FAILURE TO COMPLY WITH THIS NOTICE MAY RESULT IN A VIOLATION OF THE US SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS. NOTHING IN THIS ELECTRONIC TRANSMISSION AND THE ATTACHED PROSPECTUS CONSTITUTES AN OFFER OF SECURITIES FOR SALE IN ANY JURISDICTION WHERE IT IS UNLAWFUL TO DO SO.

THE SECURITIES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE US SECURITIES ACT OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OF THE UNITED STATES OR OTHER JURISDICTION AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT (1) TO A PERSON THAT THE HOLDER AND ANY PERSON ACTING ON ITS BEHALF REASONABLY BELIEVES IS A QIB AS DEFINED IN, OR IN RELIANCE ON, RULE 144A, OR ANOTHER EXEMPTION FROM, OR TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE US SECURITIES ACT, OR (2) IN AN OFFSHORE TRANSACTION IN ACCORDANCE WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE US SECURITIES ACT, IN EACH CASE IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES.

CANADIAN INVESTORS ARE ADVISED THAT THIS EMAIL AND THE PROSPECTUS ATTACHED HERETO MAY ONLY BE TRANSMITTED IN THOSE JURISDICTIONS IN CANADA AND TO THOSE PERSONS WHERE AND TO WHOM THEY MAY BE LAWFULLY OFFERED FOR SALE AND THEREIN ONLY BY PERSONS PERMITTED TO SELL SUCH SECURITIES. THE PROSPECTUS ATTACHED HERETO IS NOT AND UNDER NO CIRCUMSTANCES IS TO BE CONSTRUED AS, AN ADVERTISEMENT OR A PUBLIC OFFERING IN CANADA. NO SECURITIES COMMISSION OR SIMILAR AUTHORITY IN CANADA HAS REVIEWED OR IN ANY WAY PASSED UPON THE PROSPECTUS ATTACHED HERETO OR THE MERITS OF THE SECURITIES DESCRIBED THEREIN AND ANY REPRESENTATION TO THE CONTRARY IS AN OFFENCE. THE DISTRIBUTION OF THE SECURITIES CONTAINED IN THE PROSPECTUS ATTACHED HERETO IS BEING MADE ON A PRIVATE PLACEMENT BASIS ONLY AND IS EXEMPT FROM THE REQUIREMENT THAT THE COMPANY PREPARE AND FILE A PROSPECTUS WITH THE RELEVANT CANADIAN SECURITIES REGULATORY AUTHORITIES.

ANY FORWARDING, REDISTRIBUTION OR REPRODUCTION OF THE PROSPECTUS IN WHOLE OR IN PART IS UNAUTHORISED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE US SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS.

This electronic transmission and the attached Prospectus and the Offer when made are only addressed to and directed at persons in member states of the European Economic Area who are "qualified investors" within the meaning of Article 2(e) of Regulation (EU) 2017/1129 (the "Prospectus Regulation") ("Qualified Investors"). In the United Kingdom, this electronic transmission and the attached Prospectus is being distributed only to, and is directed only at, persons: (A) (i) who have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "Order"), (ii) falling within Article 49(2)(a) to (d) of the Order and (iii) to whom it may otherwise lawfully be communicated; and (B) who are "qualified investors" within the meaning of Article 2(e) of the Prospectus Regulation (Regulation (EU) 2017/1129) as it forms part of retained EU law as defined in the European Union (Withdrawal) Act 2018 (all such persons together being referred to as "relevant persons"). This electronic transmission and the attached Prospectus must not be acted on or relied on (i) in the United Kingdom, by persons who are not relevant persons, and (ii) in any member state of the European Economic Area, by persons who are not Qualified Investors. Any investment or investment activity to which the attached Prospectus relates is available only to (i) in the United Kingdom, relevant persons, and (ii) in any member state of the European Economic Area, Qualified Investors, and will be engaged in only with such persons.

Confirmation of Your Representation: This electronic transmission and the attached Prospectus is delivered to you on the basis that you are deemed to have represented to the Company and Morgan Stanley & Co. International plc (the "Sponsor"), Goldman Sachs International, (with Morgan Stanley & Co. International plc, the "Joint Global Co-ordinators"), Barclays Bank PLC, HSBC Bank plc, Merrill Lynch International and RBC Europe Limited (along with the Joint Global Co-ordinators, the "Joint Bookrunners"), Banco Santander, S.A. and Raiffeisen Bank International AG (the "Co-lead Managers", and along with the Joint Bookrunners, the "Underwriters"), that (i) you are (a) a QIB acquiring such securities for its own account or for the account of another QIB or (b) acquiring such securities in "offshore transactions", as defined in, and in reliance on, Regulation S under the US Securities Act; (ii) if you are in the United Kingdom, you are a relevant person and/or a relevant person who is acting on behalf of relevant persons in the United Kingdom to the extent you are acting on behalf of persons or entities in the United Kingdom; (iii) if you are in any member state of the European Economic Area, you are a Qualified Investor and/or a Qualified Investor acting on behalf of Qualified Investors to the extent you are acting on behalf of persons or entities in the European Economic Area; (iv) the securities acquired by you in the offer have not been acquired on a non-discretionary basis on behalf of, nor have they been acquired with a view to their offer or resale to, any person in circumstances which may constitute or give rise to an offer of any securities to the public other than their offer or resale, in the United Kingdom, to relevant persons, and in any member state of the European Economic Area, to Qualified Investors; (v) if you are outside the United States, United Kingdom and European Economic Area (and the electronic mail address that you provided and to which this Prospectus has been delivered are not located in such jurisdictions) you are a person into whose possession this Prospectus may lawfully be delivered in accordance with the laws of the jurisdiction in which you are located; and (vi) you are an institutional investor that is eligible to receive the attached Prospectus and you consent to delivery by electronic transmission.

For investors resident in British Columbia, Alberta, Manitoba, Ontario and Quebec (the "Relevant Provinces"). You acknowledge and agree that (a) the securities described in the attached Prospectus are only being distributed to investors resident in the Relevant Provinces, (b) you are (i) an "accredited investor" as such term is defined in National Instrument 45-106 *Prospectus Exemptions* and (ii) a "permitted client", as such term is defined in National Instrument 31-101 *Registration Requirements, Exemptions and Ongoing Registrant Obligations* (NI 31-103) and are purchasing the Shares from a dealer registered in Canada or relying on the "international dealer exemption" contained in NI 31-103; and (c) where required by law, you are participating in the offering as principal for your own account and not as agent.

You are reminded that you have received this electronic transmission and the attached Prospectus on the basis that you are a person into whose possession the attached Prospectus may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located and you may not nor are you authorised to deliver the attached Prospectus, electronically or otherwise, to any other person. The attached Prospectus has been made available to you in an electronic form. You are reminded that Prospectus transmitted via this medium may be altered or changed during the process of electronic transmission and consequently neither the Company, the Underwriters, the Financial Adviser nor any of their respective affiliates accepts any liability or responsibility whatsoever in respect of any difference between the Prospectus distributed to you in electronic format and the hard copy version. A hard copy of the Prospectus will be made available to you only upon request.

By accessing the linked Prospectus, you consent to receiving it in electronic form. None of the Underwriters, the Financial Adviser nor any of their respective affiliates accepts any responsibility whatsoever for the contents of the attached Prospectus or for any statement made or purported to be made by it, or on its behalf, in connection with the Company or the Shares. The Underwriters, the Financial Adviser and each of their respective affiliates, each accordingly disclaims all and any liability whether arising in tort, contract or otherwise which they might otherwise have in respect of such Prospectus or any such statement. No representation or warranty express or implied, is made by any of the Underwriters or any of their respective affiliates as to the accuracy, completeness, verification or sufficiency of the information set out in the attached Prospectus.

The Underwriters and the Financial Adviser are acting exclusively for the Company and no one else in connection with the Offer. They will not regard any other person (whether or not a recipient of the attached Prospectus) as their client in relation to the Offer and will not be responsible to anyone other than the Company for providing the protections afforded to their respective clients nor for giving advice in relation to the Offer or any transaction or arrangement referred to in the attached Prospectus.

Restriction: Nothing in this electronic transmission constitutes, and this electronic transmission may not be used in connection with, an offer of securities for sale to persons other than the specified categories of institutional buyers described above and to whom it is directed and access has been limited so that it shall not constitute a general solicitation. If you have gained access to this transmission contrary to the foregoing restrictions, you will be unable to purchase any of the securities described therein.

You are responsible for protecting against viruses and other destructive items. Your receipt of this Prospectus via electronic transmission is at your own risk and it is your responsibility to take precautions to ensure that it is free from viruses and other items of a destructive nature.



Prospectus

January 2021

This document comprises a prospectus (the “Prospectus”) relating to Dr. Martens plc (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 (as amended) (the “FSMA”). The Prospectus has been filed with, and approved by, the FCA and has been made available to the public in accordance with Rule 3.2 of the Prospectus Regulation Rules.

This Prospectus has been approved by the FCA (as competent authority under Regulation (EU) 2017/1129 as it forms part of retained EU law as defined in the European Union (Withdrawal) Act 2018). The FCA only approves this Prospectus 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 European Union (Withdrawal) Act 2018; such approval should not be considered as an endorsement of the Company that is, or the quality of the securities that are, the subject of this Prospectus. Investors should make their own assessment as to the suitability of investing in the securities.

Application will be made to the FCA for all of the ordinary shares of the Company (the “Shares”) to be admitted to the premium listing segment of the Official List of the FCA and to London Stock Exchange plc (the “London Stock Exchange”) for all of the Shares to be admitted to trading on the London Stock Exchange’s main market for listed securities (together, “Admission”). Conditional dealings in the Shares are expected to commence on the London Stock Exchange on 29 January 2021. It is expected that Admission will become effective, and that unconditional dealings in the Shares will commence, on 3 February 2021. **All dealings before the commencement of unconditional dealings will be on a “when issued” basis and will be of no effect if Admission does not take place and such dealings will be at the sole risk of the parties concerned. No application is currently intended to be made for the Shares to be admitted to listing or dealt with on any other exchange.**

The directors of the Company, whose names appear on page 36 of this Prospectus (the “Directors”), and the Company accept responsibility for the information contained in this Prospectus. To the best of the knowledge of the Directors and the Company, the information contained in this Prospectus is in accordance with the facts and this Prospectus make no omission likely to affect their import.

Prospective investors should read this Prospectus in its entirety. See Part 1 (*Risk Factors*) for a discussion of certain risks and other factors relating to the Company and its subsidiaries and subsidiary undertakings (the “Group” or “Dr. Martens”) that should be considered prior to any investment in the Shares.



Dr. Martens plc

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

**Offer of 350,000,035 Shares at an Offer Price of 370 pence per Share
and admission to the premium listing segment of the Official List
and to trading on the main market of the London Stock Exchange**

Sponsor, Joint Global Co-ordinator and Joint Bookrunner
Morgan Stanley

Joint Global Co-ordinator and Joint Bookrunner
Goldman Sachs International

Joint Bookrunners

**Barclays
HSBC**

**BofA Securities
RBC Capital Markets**

Co-lead Managers

Banco Santander

Raiffeisen Bank International

Financial Adviser

Lazard & Co., Limited

ORDINARY SHARE CAPITAL IMMEDIATELY FOLLOWING ADMISSION

Issued and fully paid	
Number	Nominal Value
1,000,000,100	£10,000,001

Each of Morgan Stanley & Co. International plc (“Morgan Stanley”), Goldman Sachs International (“Goldman Sachs”), Barclays Bank PLC (“Barclays”), HSBC Bank plc (“HSBC”), Merrill Lynch International (“BofA”) and RBC Europe Limited (“RBC” and, together with Morgan Stanley, Goldman Sachs, Barclays, HSBC and BofA, the “Joint Bookrunners”), authorised by the Prudential Regulation Authority (“PRA”) and regulated by the FCA and the PRA in the United Kingdom, Banco Santander, S.A. (“Santander”), authorised and regulated by the Bank of Spain and subject to supervision by the Bank of Spain and by the European Central Bank and to limited regulation by the FCA and the PRA, Raiffeisen Bank International AG (“RBI” and with Santander the “Co-lead Managers”, and along with the Joint Bookrunners, the “Underwriters”), authorised and regulated by Austrian Financial Market Authority and the European Central Bank, and Lazard & Co., Limited (the “Financial Adviser”), authorised and regulated by the FCA in the United Kingdom, is acting exclusively for the Company and no one else in connection with the Offer. None of the Underwriters or the Financial Adviser will regard any other person (whether or not a recipient of this Prospectus) as a client in relation to the Offer and will not be responsible to anyone other than the Company for providing the protections afforded to their respective clients or for the giving of advice in relation to the Offer or any transaction, matter, or arrangement referred to in this Prospectus. Apart from the responsibilities and liabilities, if any, which may be imposed on the Underwriters or the Financial Adviser by the FSMA or the regulatory regime established thereunder or under the regulatory regime of any jurisdiction where exclusion of liability under the relevant regulatory regime would be illegal, void or unenforceable, none of the Underwriters or the Financial Adviser nor any of their respective affiliates accepts any responsibility whatsoever for the contents of this Prospectus including its accuracy, completeness and verification or for any other statement made or purported to be made by it, or on its behalf, in connection with the Company, the Shares or the Offer. Each of the Underwriters, the Financial Adviser and each of their respective affiliates accordingly disclaim, to the fullest extent permitted by applicable law, all and any liability whether arising in tort, contract or otherwise (save as referred to above) which they might otherwise be found to have in respect of this Prospectus or any such statement. No representation or warranty express or implied, is made by any of the Underwriters, the Financial Adviser or any of their respective affiliates as to the accuracy, completeness, verification or sufficiency of the information set out in this Prospectus, and nothing in this Prospectus will be relied upon as a promise or representation in this respect, whether or not to the past or future.

In connection with the Offer, Goldman Sachs, as stabilising manager (the “Stabilising Manager”), or any of its agents, may (but will be under no obligation to), to the extent permitted by applicable law, over-allot Shares or effect other stabilisation transactions with a view to supporting the market price of the Shares at a higher level than that which might otherwise prevail in the open market. The Stabilising Manager is not required to enter into such transactions and such transactions may be effected on any securities market, over-the-counter market, stock exchange or otherwise and may be undertaken at any time during the period commencing on the date of the commencement of conditional dealings of the Shares on the main market of the London Stock Exchange and ending no later than 30 calendar days thereafter. However, there will be no obligation on the Stabilising Manager or any of its agents to effect stabilising transactions and there is no assurance that stabilising transactions will be undertaken. Such stabilisation, if commenced, may be discontinued at any time without prior notice. Except as required by law or regulation, neither the Stabilisation Manager nor any of its agents intends to disclose the extent of any over-allotments made and/or stabilisation transactions conducted in relation to the Offer.

For the purposes of allowing the Stabilising Manager to cover short positions resulting from any over-allotments and/or from sales of Shares effected by it during the stabilising period, the Principal Shareholder has granted the Stabilising Manager an option (the “Over-allotment Option”), pursuant to which the Stabilising Manager may purchase or procure purchase for additional Shares up to a maximum of 15% of the total number of Shares comprised in the Offer (the “Over-allotment Shares”) at the Offer Price. The Over-allotment Option is exercisable in whole or in part upon notice by the Stabilising Manager, at any time on or before the 30th calendar day after the commencement of condition dealings of the Shares on the main market of the London Stock Exchange. Any over-allotment of Shares made available pursuant to the Over-allotment Option will rank *pari passu* in all respects with the Shares, including for all dividends and other distributions declared, made or paid on the Shares, will be purchased on the same terms and conditions as the Shares being sold in the Offer and will form a single class for all purposes with the other Shares.

This Prospectus does not constitute or form part of any offer or invitation to sell or issue, or any solicitation of any offer to purchase or subscribe for, any securities other than the securities to which it relates or any offer or invitation to sell or issue, or any solicitation of any offer to purchase or subscribe for, such securities by any person in any circumstances in which such offer or solicitation is unlawful.

Notice to overseas shareholders

The Shares 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. The Shares offered by this Prospectus may not be offered, sold, pledged or otherwise transferred in the United States, except to persons reasonably believed to be qualified institutional buyers (“QIBs”), as defined in, and in reliance on, the exemption from the registration requirements of the US Securities Act provided in Rule 144A under the US Securities Act (“Rule 144A”) or another exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act. Prospective investors are hereby notified that the sellers of the Shares may be relying on the exemption from the provisions of section 5 of the US Securities Act provided by Rule 144A. Outside the United States, the Offer is being made in offshore transactions as defined in Regulation S under the US Securities Act. No actions have been taken to allow a public offering of the Shares under the applicable securities laws of any jurisdiction, including Australia, Canada or Japan. Subject to certain exceptions, the Shares may not be offered or sold in any jurisdiction, or to or for the account or benefit of any national, resident or citizen of any jurisdiction, including Australia, Canada or Japan. This Prospectus does not constitute an offer of, or the solicitation of an offer to subscribe for or purchase any of the Shares to any person in any jurisdiction to whom it is unlawful to make such offer or solicitation in such jurisdiction.

The Shares have not been and will not be registered under the applicable securities laws of Australia, Canada or Japan. Subject to certain exceptions, the Shares may not be offered or sold in any jurisdiction, or to or for the account or benefit of any national, resident or citizen in Australia, Canada or Japan. The Shares have not been recommended by any US federal or state securities commission or regulatory authority. Furthermore, the foregoing authorities have not confirmed the accuracy or determined the adequacy of this Prospectus. Any representation to the contrary is a criminal offence in the United States.

The distribution of this Prospectus and the offer and sale of the Shares in certain jurisdictions may be restricted by law. No action has been or will be taken by the Company, the Selling Shareholders, the Underwriters or the Financial Adviser to permit a public offering of the Shares under the applicable securities laws of any jurisdiction. Other than in the United Kingdom, no action has been taken or will be taken to permit the possession or distribution of this Prospectus (or any other offering or publicity materials relating to the Shares) in any jurisdiction where action for that purpose may be required or where doing so is restricted by law. Accordingly, neither this Prospectus, nor any advertisement, nor any other 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 Prospectus 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.

Available information

For so long as any of the Shares are in issue and are “restricted securities” within the meaning of Rule 144(a)(3) under the US Securities Act, the Company will, during any period in which it is not subject to Section 13 or 15(d) under the US Securities Exchange Act of 1934, as amended (the “US Exchange Act”), nor exempt from reporting under the US Exchange Act pursuant to Rule 12g3-2(b) thereunder, make available to any holder or beneficial owner of a Share, or to any prospective purchaser of a Share designated by such holder or beneficial owner, the information specified in, and meeting the requirements of, Rule 144A(d)(4) under the US Securities Act.

Information to Distributors

Solely for the purposes of the product governance requirements of Chapter 3 of the FCA Handbook Product Intervention and Product Governance Sourcebook (the “UK Product Governance Requirements”), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any “manufacturer” (for the purposes of the UK Product Governance Requirements) may otherwise have with respect thereto, the Shares have been subject to a product approval process, which has determined that the Shares are: (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each defined in paragraph 3 of the FCA Handbook Conduct of Business Sourcebook; and (ii) eligible for distribution through all permitted distribution channels (the “Target Market Assessment”). Notwithstanding the Target Market Assessment, “distributors” (for the purposes of the UK Product Governance Requirements) should note that: the price of the Shares may decline and investors could lose all or part of their investment; the Shares offer no guaranteed income and no capital protection; and an investment in the Shares is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of

evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The Target Market Assessment is without prejudice to any contractual, legal or regulatory selling restrictions in relation to the Offer. Furthermore, it is noted that, notwithstanding the Target Market Assessment, Morgan Stanley & Co. International plc, Goldman Sachs International, Barclays Bank PLC, HSBC Bank plc, Merrill Lynch International, RBC Europe Limited, Banco Santander, S.A. and Raiffeisen Bank International AG will only procure investors who meet the criteria of professional clients and eligible counterparties. For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of Chapters 9A or 10A respectively of the FCA Handbook Conduct of Business Sourcebook; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the Shares. Each distributor is responsible for undertaking its own target market assessment in respect of the Shares and determining appropriate distribution channels.

Dated 29 January 2021

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SUMMARY

Summaries are made up of disclosure requirements known as “Elements”. These Elements are numbered in Sections A-E (A.1 – E.7). This summary contains all the Elements required to be included in a summary for this type of security and issuer. Because some Elements are not required to be addressed, there may be gaps in the numbering sequence of the Elements.

Even though an Element may be required to be inserted in the summary because of the type of securities and issuer, it is possible that no relevant information can be given regarding the Element. In this case a short description of the Element is included in the summary with the mention of “not applicable”.

SECTION A—INTRODUCTION AND WARNINGS	
A.1.1	<p><i>Name and international securities identifier number (ISIN) of the securities</i></p> <p>Pursuant to the Offer, 350,000,035 of the existing Shares in the Company (the “Existing Shares”) are expected to be sold by the Selling Shareholders. The Existing Shares being sold pursuant to the Offer will represent approximately 35.0% of the expected issued ordinary share capital of the Company immediately following Admission.</p> <p>In addition, a further 52,500,005 existing Shares in the Company are being made available by the Principal Shareholder (the “Over-allotment Shares”) pursuant to the Over-allotment Option.</p> <p>The Shares which are subject to the Offer, including the Over-allotment Shares, rank pari passu in all respects with the Existing Shares, including for all dividends and other distributions declared, made or paid on the Shares after Admission and will form a single class for all purposes.</p> <p>When admitted to trading, the Shares will be registered with ISIN number GB00BL6NGV24 and SEDOL number BL6NGV2 and trade under the symbol “DOCS”.</p>
A.1.2	<p><i>Identity and contact details of the issuer, including its Legal Entity Identifier (LEI)</i></p> <p>The registered office and principal place of business of Dr. Martens plc (the “Company”) is at 28 Jamestown Road, Camden, London NW1 7BY, United Kingdom. The Company’s telephone number is +44 (0)20 3908 6901 and its legal entity identifier (“LEI”) number is 213800QPT8YM6NQZPH28.</p>
A.1.3	<p><i>Identity and contact details of the competent authority approving the prospectus</i></p> <p>This Prospectus has been approved by the FCA, as competent authority under Regulation (EU) 2017/1129 as it forms part of retained EU law as defined in the European Union (Withdrawal) Act 2018, with its head office at 12 Endeavour Square, London, E20 1JN, and telephone number: +44 (0)20 7066 1000, in accordance with Regulation (EU) 2017/1129 as it forms part of retained EU law as defined in the European Union (Withdrawal) Act 2018. The FCA only approves this Prospectus 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 European Union (Withdrawal) Act 2018, and such approval should not be considered as an endorsement of the issuer that is, or of the quality of the securities that are, the subject of this Prospectus. Investors should make their own assessment as to the suitability of investing in the Shares.</p>
A.1.4	<p><i>Date of approval of the prospectus</i></p> <p>This Prospectus was approved on 29 January 2021.</p>
A.1.5	<p><i>Warning</i></p> <p>This summary has been prepared in accordance with Article 7 of Regulation (EU) 2017/1129 as it forms part of retained EU law as defined in the European Union (Withdrawal) Act 2018 and should be read as an introduction to the prospectus (the “Prospectus”).</p> <p>Any decision to invest in the securities should be based on consideration of the prospectus as a whole by the investor. Where a claim relating to the information contained in the prospectus is brought before a court, the plaintiff investor might, under national law, have to bear the costs of translating the prospectus before the legal proceedings are initiated.</p> <p>Civil liability attaches only to those persons who have tabled the summary including any translation thereof, and applied its notification, but only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of the prospectus or it does not provide, when read together with the other parts of the prospectus, key information in order to aid investors when considering whether to invest in such securities.</p>
SECTION B—KEY INFORMATION ON THE ISSUER	
B.1	<i>Who is the issuer of the securities?</i>
B.1.1	<p><i>Domicile, legal form, LEI, jurisdiction of incorporation and country of operation</i></p> <p>The Company is a public limited company with registered number 12960219, incorporated on 19 October 2020 as Ampholdco Limited, a private company limited by shares in the United Kingdom, renamed Dr. Martens Limited on 22 December 2020 and re-registered as a public company limited by shares and renamed Dr. Martens plc on 22 January 2021 with its registered office situated in England and Wales. The</p>

	Company operates under the Companies Act 2006. The Company’s LEI number is 213800QPT8YM6NQZPH28.																																																															
B.1.2	<p>Principal activities</p> <p>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.</p>																																																															
B.1.3	<p>Major shareholders</p> <p>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, or will represent, directly or indirectly, 3% or more of the issued share capital of the Company immediately following Admission and the interests of those acquiring 5% or more of the Existing Shares being sold in the Offer:</p> <table><tr><th></th><th colspan="2">Immediately prior to Admission</th><th colspan="2">Number of Shares to be sold in the Offer</th><th colspan="2">Immediately following Admission⁽¹⁾</th></tr><tr><th></th><th>Number of Shares</th><th>Percentage of issued share capital</th><th>Number of Shares</th><th>Percentage of issued share capital</th><th>Number of Shares</th><th>Percentage of issued share capital</th></tr><tr><td>Shareholders</td><td></td><td></td><td></td><td></td><td></td><td></td></tr><tr><td>Ingrelux S.à.r.l.⁽²⁾</td><td>734,955,200</td><td>73.50</td><td>253,292,485</td><td>25.33</td><td>481,662,715</td><td>48.17</td></tr><tr><td>BlackRock Funds⁽³⁾</td><td>—</td><td>—</td><td>—</td><td>—</td><td>67,567,568</td><td>6.76</td></tr><tr><td>GIC Pte Ltd</td><td>—</td><td>—</td><td>—</td><td>—</td><td>40,540,541</td><td>4.05</td></tr><tr><td>Fidelity Management & Research Company LLC</td><td>—</td><td>—</td><td>—</td><td>—</td><td>32,500,000</td><td>3.25</td></tr><tr><td>Henderson Global Investors Limited</td><td>—</td><td>—</td><td>—</td><td>—</td><td>27,050,000</td><td>2.70</td></tr><tr><td>Merian—Jupiter⁽⁴⁾</td><td>—</td><td>—</td><td>—</td><td>—</td><td>20,270,271</td><td>2.03</td></tr></table> <p>Notes:</p> <p>(1) Assuming no exercise of the Over-allotment Option. If the Over-allotment Option is exercised in full, the Principal Shareholder will sell a further 52,500,005 Shares, representing 15% of the Shares in the Offer.</p> <p>(2) Ingrelux S.à.r.l. is the direct shareholder in the Company and is wholly owned by funds advised by Permira Advisers LLP.</p> <p>(3) BlackRock Investment Management (UK) Limited, as agent for funds and accounts under its management.</p> <p>(4) Merian Global Investors (UK) Limited and Jupiter Asset Management Limited, as agents for funds managed by Merian Global Investors and Jupiter Asset Management.</p> <p>In addition to the major shareholder listed above, other shareholders of the Company (together with the major shareholder listed above, the “Selling Shareholders”), which beneficially hold 27% of the Company’s issued ordinary share capital, are expected to sell up to 96,707,550 Shares in the Offer. On 22 January 2021, the Company and the Principal Shareholder entered in to agreements with each of BlackRock Investment Management (UK) Limited, as agent for funds and accounts under its management (the “BlackRock Funds”), Henderson Global Investors Limited (“Henderson”) and Merian Global Investors (UK) Limited and Jupiter Asset Management Limited, as agents for funds managed by Merian Global</p>		Immediately prior to Admission		Number of Shares to be sold in the Offer		Immediately following Admission ⁽¹⁾			Number of Shares	Percentage of issued share capital	Number of Shares	Percentage of issued share capital	Number of Shares	Percentage of issued share capital	Shareholders							Ingrelux S.à.r.l. ⁽²⁾	734,955,200	73.50	253,292,485	25.33	481,662,715	48.17	BlackRock Funds ⁽³⁾	—	—	—	—	67,567,568	6.76	GIC Pte Ltd	—	—	—	—	40,540,541	4.05	Fidelity Management & Research Company LLC	—	—	—	—	32,500,000	3.25	Henderson Global Investors Limited	—	—	—	—	27,050,000	2.70	Merian—Jupiter ⁽⁴⁾	—	—	—	—	20,270,271	2.03
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	<p>Investors and Jupiter Asset Management (“Merian - Jupiter”), pursuant to which the Blackrock Funds irrevocably agreed to purchase £250 million of Shares, Henderson irrevocably agreed to purchase £100 million of Shares and Merian - Jupiter irrevocably agreed to purchase £75 million of Shares, each in the Offer at the Offer Price.</p> <p>The Shares owned by the major shareholder listed above and the Selling Shareholders rank <i>pari passu</i> with the other Shares in all respects.</p>																																																																																																																																																																																																													
B.1.4	<p>Key managing directors</p> <p>The Company’s Chief Executive Officer is Kenny Wilson, born in 1966 and its Chief Financial Officer is Jon Mortimore, born in 1967.</p>																																																																																																																																																																																																													
B.1.5	<p>Identity of the statutory auditors</p> <p>The auditors of the Group for the period covered by the historical financial information set out in this Prospectus are Ernst & Young LLP whose registered address is at 1 More London Place, London SE1 2AF.</p>																																																																																																																																																																																																													
B.2	<p>What is the key financial information regarding the issuer?</p> <p>The tables below set out the Group’s summary financial information for the periods indicated, as reported in accordance with International Financial Reporting Standards as adopted by the European Union (“IFRS”). The historical financial information for the Group as at and for each of the three years ended 31 March 2018, 2019 and 2020 and the six months ended 30 September 2020 has been extracted without material adjustment from Section B of Part 11 (<i>Historical Financial Information</i>).</p> <p><i>Selected financial information</i></p> <p>Consolidated statement of comprehensive income</p> <table><tr><th></th><th colspan="3">Year ended 31 March</th><th colspan="2">Six months ended 30 September</th></tr><tr><th></th><th>2018</th><th>2019</th><th>(£m) 2020</th><th>2019</th><th>2020</th></tr><tr><th></th><th></th><th></th><th></th><th>(unaudited)</th><th></th></tr><tr><td>Revenue</td><td>348.6</td><td>454.4</td><td>672.2</td><td>268.7</td><td>318.2</td></tr><tr><td>Cost of sales</td><td>(162.6)</td><td>(193.8)</td><td>(270.7)</td><td>(113.5)</td><td>(131.9)</td></tr><tr><td>Gross profit</td><td>186.0</td><td>260.6</td><td>401.5</td><td>155.2</td><td>186.3</td></tr><tr><td>Selling and administrative expenses</td><td>(145.8)</td><td>(192.6)</td><td>(259.0)</td><td>(107.8)</td><td>(121.5)</td></tr><tr><td>Operating profit</td><td>40.2</td><td>68.0</td><td>142.5</td><td>47.4</td><td>64.8</td></tr><tr><td>EBITDA</td><td>50.0</td><td>85.0</td><td>184.5</td><td>66.6</td><td>86.3</td></tr><tr><td>Exceptional items</td><td>(1.8)</td><td>(5.2)</td><td>(12.0)</td><td>(3.7)</td><td>(3.0)</td></tr><tr><td>EBITDA (post-exceptional items)</td><td>48.2</td><td>79.8</td><td>172.5</td><td>62.9</td><td>83.3</td></tr><tr><td>Depreciation, amortisation and forex gains/(losses)</td><td>(8.0)</td><td>(11.8)</td><td>(30.0)</td><td>(15.5)</td><td>(18.5)</td></tr><tr><td>Operating profit</td><td>40.2</td><td>68.0</td><td>142.5</td><td>47.4</td><td>64.8</td></tr><tr><td>Finance expense</td><td>(39.5)</td><td>(39.1)</td><td>(41.5)</td><td>(21.2)</td><td>(22.9)</td></tr><tr><td>Profit before income tax</td><td>0.7</td><td>28.9</td><td>101.0</td><td>26.2</td><td>41.9</td></tr><tr><td>Income tax expense</td><td>(6.4)</td><td>(11.7)</td><td>(26.2)</td><td>(8.9)</td><td>(12.4)</td></tr><tr><td>Profit/(loss) for the period/year attributable to the owners of the parent</td><td>(5.7)</td><td>17.2</td><td>74.8</td><td>17.3</td><td>29.5</td></tr></table> <p>Reconciliation of EBITDA to EBITDA presented on an IAS 17 basis:</p> <table><tr><td>EBITDA</td><td>50.0</td><td>85.0</td><td>184.5</td><td>66.6</td><td>86.3</td></tr><tr><td>Expenses under IAS 17⁽¹⁾</td><td>—</td><td>—</td><td>(20.1)</td><td>(9.5)</td><td>(11.5)</td></tr><tr><td>EBITDA presented on an IAS 17 basis</td><td>50.0</td><td>85.0</td><td>164.4</td><td>57.1</td><td>74.8</td></tr></table> <p>(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 (<i>unaudited</i>), and the year ended 31 March 2020.</p> <p>Consolidated statement of financial position</p> <table><tr><th></th><th colspan="3">As at 31 March</th><th>As at 30 September</th></tr><tr><th></th><th>2018</th><th>2019</th><th>(£m) 2020</th><th>2020</th></tr><tr><td>Non-current assets</td><td></td><td></td><td></td><td></td></tr><tr><td>Intangible assets</td><td>248.5</td><td>251.8</td><td>257.2</td><td>259.8</td></tr><tr><td>Property, plant and equipment</td><td>23.6</td><td>26.9</td><td>32.7</td><td>31.4</td></tr><tr><td>Right-of-use assets</td><td>—</td><td>—</td><td>82.0</td><td>79.6</td></tr><tr><td>Deferred tax assets</td><td>4.4</td><td>6.0</td><td>7.4</td><td>7.4</td></tr><tr><td></td><td>276.5</td><td>284.7</td><td>379.3</td><td>378.2</td></tr><tr><td>Current assets</td><td></td><td></td><td></td><td></td></tr><tr><td>Inventories</td><td>39.8</td><td>53.9</td><td>90.0</td><td>128.0</td></tr><tr><td>Trade and other receivables</td><td>43.1</td><td>53.1</td><td>68.2</td><td>92.8</td></tr><tr><td>Income tax assets</td><td>—</td><td>—</td><td>0.3</td><td>0.8</td></tr><tr><td>Derivatives and financial 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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	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		As at 31 March			As at 30 September		2018	2019	(£m) 2020	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 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	As at 31 March			As at	
	(£m)			30 September	
	2018	2019	2020	2020	
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)	
	<u>(55.6)</u>	<u>(64.5)</u>	<u>(130.7)</u>	<u>(183.5)</u>	
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)	
	<u>(419.6)</u>	<u>(394.1)</u>	<u>(455.3)</u>	<u>(466.9)</u>	
Total liabilities	<u>(475.2)</u>	<u>(458.6)</u>	<u>(586.0)</u>	<u>(650.4)</u>	
Net assets/(liabilities)	<u>(29.4)</u>	<u>(8.4)</u>	<u>70.5</u>	<u>100.4</u>	
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	<u>(29.4)</u>	<u>(8.4)</u>	<u>70.5</u>	<u>100.4</u>	
Consolidated statement of cash flows					
	Year ended 31 March			Six months ended	
	(£m)			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	<u>86.4</u>	<u>58.4</u>	<u>117.2</u>	<u>12.4</u>	<u>146.8</u>
	Year ended 31 March			Six months ended	
	(£m)			30 September	
	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
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	<u>86.4</u>	<u>58.4</u>	<u>117.2</u>	<u>12.3</u>	<u>146.8</u>

(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.

There are no qualifications to the accountants' report on the historical financial information.

Pro forma financial information

The unaudited consolidated pro forma statement of net assets as at 30 September 2020 set out below has been prepared to illustrate the effect of (i) draw down of amounts under the New Facilities Agreement; (ii) repayment of the Existing Facilities; (iii) the Reorganisation; and (iv) the expenses of the Offer, on Doc Topco Limited's net assets as at 30 September as if these events had been undertaken at that date.

The information, which has been produced for illustrative purposes only and, by its nature, addresses a hypothetical situation and therefore does not represent the Group's actual financial position. The unaudited pro forma statement of net assets is compiled on the basis set out in the notes below and in accordance with the accounting policies of the Group for the year ending 31 March 2021. The unaudited pro forma financial information does not constitute financial statements within the meaning of section 434 of the Companies Act 2006.

Unaudited Pro Forma statement of net assets as of 30 September 2020

		Adjustments				
	Group net assets at 30 September 2020 £'m (note 1)	Draw down under the New Facilities Agreement £'m (note 2)	Repayment of Existing Facilities £'m (note 3)	Reorganisation £'m (note 4)	Expenses of the Offer £'m (note 5)	Pro forma net assets at 30 September 2020 £'m (note 6)
Non-current assets						
Intangible assets	259.8	—	—	—	—	259.8
Property, plant and equipment	31.4	—	—	—	—	31.4
Right-of-use assets	79.6	—	—	—	—	79.6
Deferred tax assets	7.4	—	—	—	—	7.4
	378.2	—	—	—	—	378.2
Current assets						
Inventories	128.0	—	—	—	—	128.0
Trade and other receivables	92.8	—	—	—	(4.9)	87.9
Income tax assets	0.8	—	—	—	—	0.8
Restricted cash	4.2	—	—	—	(4.2)	—
Cash and cash equivalents	146.8	293.9	(87.8)	(330.1)	(21.3)	1.5
	372.6	293.9	(87.8)	(330.1)	(30.4)	218.2
Total assets	750.8	293.9	(87.8)	(330.1)	(30.4)	596.4
Current liabilities						
Trade and other payables	(141.8)	—	—	—	3.0	(138.8)
Borrowings—Bank	(20.0)	—	20.0	—	—	—
—Lease liabilities	(19.5)	—	—	—	—	(19.5)
Provisions	(0.8)	—	—	—	—	(0.8)
Derivatives and financial liabilities	(0.2)	—	—	—	—	(0.2)
Income tax payable	(1.2)	—	—	—	—	(1.2)
	(183.5)	—	20.0	—	3.0	(160.5)
Non-current liabilities						
Trade and other payables	—	—	—	—	—	—
Borrowings—Bank	(65.9)	(293.9)	65.9	—	—	(293.9)
—Redeemable preference shares	(330.1)	—	—	330.1	—	—
—Lease liabilities	(69.3)	—	—	—	—	(69.3)
Provisions	(1.6)	—	—	—	—	(1.6)
	(466.9)	(293.9)	65.9	330.1	—	(364.8)
Total liabilities	(650.4)	(293.9)	85.9	330.1	3.0	(525.3)
Net assets	100.4	—	(1.9)	—	(27.4)	71.1

Notes:

- The net assets of Doc Topco Limited as at 30 September 2020 have been extracted without material adjustment from the historical financial information for the period ended 30 September 2020 set out in Section B of Part 11 (*Historical Financial Information*).
- Under the refinancing, as described in paragraph 17.5 (*The Group's financing arrangements*) of Part 14 (*Additional Information*), on 27 January 2021, the Group entered into the New Facilities Agreement, comprising a term loan facility of €337.5 million (equivalent of £300.0 million calculated using a nominal €:£ exchange rate of 1.1250:1) and a revolving credit facility of £200.0 million. The adjustment to cash and cash equivalents as at 30 September 2020 represents a draw down of the term loan of £300.0 million, less transaction costs incurred of £6.1 million. The adjustment to non-current liabilities—borrowings-bank reflects the gross amount drawn down under the term loan, less transaction costs incurred which are capitalised and which will be amortised over the term of the New Facilities Agreement.
- The adjustment to Cash and cash equivalents as at 30 September 2020 represents the repayment of the Existing Facilities principal of £87.8 million, of which £20.0 million was repaid in October 2020. The adjustments to current and non-current liabilities—borrowings-bank reflect the gross amount repayable under the terms of the Existing Facilities with the adjustment to non-current liabilities being net of £1.9 million of unamortised debt issue costs that arose historically in connection with the Existing Facilities and is recognised as an expense in the income statement upon repayment.

	<p>(4) Under the Reorganisation, as described in paragraph 3 (<i>Reorganisation</i>) of Part 14 (<i>Additional Information</i>) of this Prospectus, the outstanding redeemable preference shares will be redeemed for cash. As at 30 September 2020 the amount outstanding in respect of redeemable preference shares was £330.1 million.</p> <p>(5) This adjustment reflects the cash outflows as a consequence of the Offer being:</p> <ul style="list-style-type: none"> (i) distribution of restricted cash of £4.2 million and distribution of the proceeds of sale of Shares held by the Group's Employee Benefit Trust ("EBT") to the Group's employees, upon which payroll taxes are payable; and (ii) estimated transaction costs of the Offer (including the maximum amount of any discretionary fees, and irrecoverable value added tax) and payroll taxes in respect of the distribution mentioned in note 5(i), above, totalling £26.2 million. <p>The adjustment to cash and cash equivalents comprises:</p> <ul style="list-style-type: none"> (a) a cash outflow of £26.2 million, representing the total estimated expenses of the Offer expected to be incurred by the Group, of which £3.0 million had been accrued within trade and other payables as at 30 September 2020; and (b) a cash inflow of £4.9 million, representing repayment of staff loans, which are recorded within trade and other receivables as at 30 September 2020. <p>No adjustment is shown for the sale of Shares as part of the Offer, because the Group will not receive any proceeds from the sale of Shares and underwriting commissions and stamp duty or stamp duty reserve tax expenses associated with the sale of Shares will be borne by the Selling Shareholders.</p> <p>(6) The Pro Forma Financial Information does not reflect any changes in the trading results or financial position of the Group since 30 September 2020.</p>
B.3	<p><i>What are the key risks that are specific to the issuer?</i></p> <ul style="list-style-type: none"> • The Group's business is dependent on the image and reputation of the Dr. Martens brand. • If the Group encounters operational challenges relating to the distribution of its products, its business could be adversely affected. • 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. • 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. • 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 is subject to cyber security risks and security breaches. • 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. • 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. • If the Group is unable to execute effectively its e-commerce growth strategy, its business and prospects may be harmed. • The Group's business is influenced by economic conditions that impact consumer spending. • 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.
<i>SECTION C—KEY INFORMATION ON THE SECURITIES</i>	
C.1	<i>What are the main features of the securities?</i>
C.1.1	<p><i>Type, class and ISIN</i></p> <p>On Admission, there will be 1,000,000,100 ordinary shares of one pence each (all of which will be fully paid or credited as fully paid) in the share capital of the Company (the "Shares") in issue.</p> <p>When admitted to trading, the Shares (which are ordinary shares) will be registered with ISIN number GB00BL6NGV24 and SEDOL number BL6NGV2 and trade under the symbol "DOCS".</p>
C.1.2	<p><i>Currency, denomination, par value, number of securities issued and duration</i></p> <p>The currency of the issue is United Kingdom pounds sterling.</p> <p>As at the date of this Prospectus, the issued share capital of the Company is, and on Admission will be, £10,000,001, comprising 1,000,000,100 Shares of one pence each, (all of which were fully paid or credited as fully paid).</p>
C.1.3	<p><i>Rights attaching to the Shares</i></p> <p>The rights attaching to the Shares will be uniform in all respects and they will form a single class for all purposes, including with respect to voting and for all dividends and other distributions thereafter declared, made or paid on the ordinary share capital of the Company.</p> <p>On a show of hands every holder of Shares in the capital of the Company (each, a "Shareholder") who is present in person shall have one vote and on a poll every Shareholder present in person or by proxy shall have one vote per Share.</p> <p>Except as provided by the rights and restrictions attached to any class of shares, Shareholders will under general law be entitled to participate in any surplus assets in a winding up in proportion to their shareholdings.</p>

C.1.4	<p><i>Rank of securities in the issuer's capital structure in the event of insolvency</i></p> <p>The Shares do not carry any rights as respects to capital to participate in a distribution (including on a winding-up) other than those that exist as a matter of law.</p>
C.1.5	<p><i>Restrictions on transfer</i></p> <p>There are no restrictions on the free transferability of the Shares.</p>
C.1.6	<p><i>Dividend or payout policy</i></p> <p>The Directors intend to adopt a progressive dividend policy while maintaining an appropriate level of dividend cover. This dividend policy will reflect the long-term earnings and cash-flow potential of the Group, consistent with maintaining sufficient financial flexibility in the Group. It is therefore the Directors' current intention to target an initial payout ratio of approximately 25% to 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. Assuming that there are sufficient distributable reserves available at the time, the Directors intend that the Company will pay an interim dividend and a final dividend in respect of each financial year in the approximate proportions of one-third and two-thirds, respectively, of the total annual dividend. 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.</p> <p>The Company may revise its dividend policy from time to time.</p> <p>The Company did not trade following incorporation and lacked distributable reserves which restricted the Company's ability to pay future dividends and to redeem its preference shares. Therefore, on 17 December 2020, and as part of the steps in the Reorganisation, the Company undertook a capital reduction to create distributable reserves of £1,727,137,488.23 to facilitate the redemption of its preference shares as contemplated by the Reorganisation steps and future dividend distributions.</p>
C.2	<p><i>Where will the securities be traded?</i></p> <p>Application will be made to the FCA for all of the Shares to be admitted to the premium listing segment of the Official List of the FCA and to the London Stock Exchange for such Shares to be admitted to trading on the London Stock Exchange's main market for listed securities.</p>
C.3	<p><i>What are the key risks that are specific to the securities?</i></p> <ul style="list-style-type: none"> • The Principal Shareholder will retain a significant interest in, and will continue to exert substantial influence over, the Group following the Offer and its interests may differ from or conflict with those of other Shareholders. • There is no existing market for the Shares and an active trading market for the Shares may not develop or be sustained which may adversely affect the liquidity or trading price of the Shares. If a market for the Shares develops, the Shares could be subject to market price volatility and the market price of the Shares may decline in response to developments that are unrelated to the Company's operating performance, or as a result of sales of substantial amounts of Shares, for example, following expiry of the lock-up period agreed to by each of the Selling Shareholders in connection with the Offer, or the issuance of additional Shares in the future, and Shareholders could face a partial or total loss of their investment in the Company. • Shareholders in the United States or other jurisdictions may not be able to participate in future equity offerings which could result in dilution of such Shareholders' interests in the Company.
<p align="center"><i>SECTION D—KEY INFORMATION ON THE OFFER OF SECURITIES TO THE PUBLIC AND/OR THE ADMISSION TO TRADING ON A REGULATED MARKET</i></p>	
D.1	<p><i>Under which conditions and timetable can I invest in this security?</i></p> <p>It is expected that Admission will become effective, and that unconditional dealings in the Shares will commence on the London Stock Exchange, at 8.00 a.m. (London time) on 3 February 2021. Settlement of dealings from that date will be on a two-day rolling basis. Prior to Admission, conditional dealings in the Shares are expected to commence on the London Stock Exchange at 8.00 a.m. on 29 January 2021. The earliest date for such settlement of such dealings will be 3 February 2021.</p>
D.2	<p><i>Why is this prospectus being produced?</i></p> <p>This document does not constitute an offer or invitation to any person to subscribe for or purchase any shares in the Company. It has been prepared in connection with the application to the FCA for all of the Shares to be admitted to the premium listing segment of the Official List of the FCA and to the London Stock Exchange for such Shares to be admitted to trading on the London Stock Exchange's main market for listed securities.</p>

Part 1

Risk Factors

Any investment in the Shares is subject to a number of risks. Prior to investing in the Shares, prospective investors should carefully consider the risk factors associated with any investment in the Shares, the Group's business and the industry in which it operates, together with all other information contained in this Prospectus including, in particular, the risk factors described below.

Prospective investors should note that the risks relating to the Group, its industry and the Shares summarised in the section of this Prospectus headed "Summary" are the risks that the Directors and the Company believe to be the most essential to an assessment by a prospective investor of whether to consider an investment in the Shares. However, as the risks which the Group faces relate to events and depend on circumstances that may or may not occur in the future, prospective investors should consider not only the information on the key risks summarised in the section of this Prospectus headed "Summary" but also, among other things, the risks and uncertainties described below.

The risk factors described below are not an exhaustive list or explanation of all risks which investors may face when making an investment in the Shares and should be used as guidance only. Additional risks and uncertainties relating to the Group that are not currently known to the Group, or that the Group currently deems immaterial, may individually or cumulatively also have a material adverse effect on the Group's business, results of operations, financial condition and/or prospects, if any such risk should occur, the price of the Shares may decline and investors could lose all or part of their investment. An investment in the Shares involves complex financial risks and is suitable only for investors who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. Investors should consider carefully whether an investment in the Shares is suitable for them in the light of the information in this Prospectus and their personal circumstances.

None of the statements made in this Part 1 (Risk Factors) in any way constitutes a qualification of the working capital statement contained in paragraph 23 (Working capital) of Part 14 (Additional Information) of this Prospectus.

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 have longer-term effects on 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 Prospectus, 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.

On 27 January 2021 the Group entered into a new facilities agreement pursuant to which the lenders thereunder will (subject to the occurrence of Admission) make available to certain members of the Group a term loan facility of €337.5 million and a multi-currency revolving credit facility of £200.0 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. Further, the increase in Group leverage has been taken into account by the trustee of the Group's UK defined benefit pension plan when assessing the strength of the financial support provided to the plan by the Group, which has resulted in ongoing discussions between the trustee and the Group on whether further financial support is needed for the plan. The plan is currently in surplus on the basis of a prudent set of actuarial assumptions.

The Group's term and revolving facilities agreement 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 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 (subject to customary grace periods and materiality thresholds) give rise to an event of default under the relevant financing agreements. This (i) would permit a simple majority of the lenders to direct the agent under the relevant agreement to take certain actions, including cancelling the available commitments in respect of a facility and/or declaring all amounts that the Group has borrowed under the relevant agreement to become immediately due and payable, together with accrued and unpaid interest, (ii) may lead to an event of default and/or acceleration under other debt instruments that contain cross-default or cross-acceleration provisions, and/or (iii) may permit a simple majority of the lenders to direct the security agent to enforce any of 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.

4. *Risks relating to the Offer and the Shares*

4.1. *Shares in the Company may be subject to market price volatility and the market price of the Shares in the Company may decline disproportionately in response to developments that are unrelated to the Company's operating performance.*

The Offer Price is not indicative of the market price of the Shares following Admission. The market price of the Shares may be volatile and subject to wide fluctuations. The market price of the Shares may fluctuate as a result of a variety of factors, including, but not limited to, those referred to in this Part 1 (*Risk Factors*), as well as period to period variations in operating results or changes in revenue or profit estimates by the Group, industry participants or financial analysts. The market price could also be adversely affected by developments unrelated to the Group's operating performance, such as the operating and share price performance of other companies that investors may consider comparable to the Group, speculation about the Group in the press or the investment community, unfavourable press, strategic actions by competitors (including acquisitions and restructurings), changes in market conditions, regulatory changes and broader market volatility and movements. Any or all of these factors could result in material fluctuations in the price of Shares, which could lead to investors getting back less than they invested or a total loss of their investment.

4.2. There is no existing market for the Shares and an active trading market for the Shares may not develop or be sustained.

Prior to Admission, there has been no public trading market for the Shares. Although the Company has applied to the FCA for admission of the Shares to the premium listing segment of the Official List and to the London Stock Exchange for admission of the Shares to trading on its main market for listed securities, the Company can give no assurance that an active trading market for the Shares will develop or, if developed, could be sustained following the closing of the Offer. If an active trading market is not developed or maintained, the liquidity and trading price of the Shares could be adversely affected.

4.3. The issuance of additional Shares in the Company in connection with future acquisitions, any share incentive or share option plan or otherwise may dilute all other shareholdings.

The Group may seek to raise financing to fund future acquisitions and other growth opportunities. The Company may, for these and other purposes, issue additional equity or convertible equity securities. As a result, existing holders of Shares may suffer dilution in their percentage ownership and/or the market price of the Shares may be adversely affected.

4.4. The market price of the Shares could be negatively affected by sales of substantial amounts of such shares in the public markets, including following the expiry of the lock-up period, or the perception that these sales could occur.

Following Admission, the Principal Shareholder will own beneficially 48.2% of the Company's issued ordinary share capital (assuming no exercise of the Over-allotment Option) and 42.9% if the Over-allotment Option is exercised in full. The Company, the Principal Shareholder, the Minority Shareholders and the Directors are subject to restrictions on the issue, sale and/or transfer, as applicable, of their respective holdings in the Company's issued share capital. The issue or sale of a substantial number of Shares by the Company, the Principal Shareholder, the Minority Shareholders and/or the Directors in the public market after the lock up restrictions in the Underwriting Agreement and Deeds of Election, as applicable, expire (or are waived by the Joint Global Co-ordinators), or the perception that any such issue or sale may occur, may depress the market price of the Shares and could affect the Company's ability to raise capital through the sale of additional equity securities.

4.5. The Company's ability to pay dividends in the future depends, among other things, on the Group's financial performance and capital requirements.

There can be no guarantee that the Group's historic performance will be repeated in the future, particularly given the competitive nature of the industry in which it operates, and its sales, profit and cash flow may significantly underperform market expectations. If the Group's cash flow underperforms market expectations, then its capacity to pay a dividend will suffer. Any decision to declare and pay dividends will be made at the discretion of the Directors and will depend on, among other things, applicable law, regulation, restrictions on the payment of dividends in the Group's financing arrangements, the Group's financial position, the Company's distributable reserves, regulatory capital requirements, working capital requirements, finance costs, general economic conditions and other factors the Directors deem significant from time to time.

4.6. The Company is a holding company with no business operations of its own and depends on its subsidiaries for cash, including in order to pay dividends.

The Company is a group holding company with no independent operations and is dependent on earnings and distributions of funds from its operating subsidiaries for cash, including in order to pay dividends to Shareholders.

As a matter of English law, the Company can pay dividends only to the extent that it has sufficient distributable reserves available, which depends upon the Company receiving cash from its operating subsidiaries in a manner which creates distributable reserves. The Company's ability to pay dividends to Shareholders therefore depends on its future Group profitability, the ability to distribute or dividend profits from its operating subsidiaries up the Group structure to the Company, general economic conditions and other factors the Directors deem significant. The Group's distributable reserves can be affected by reductions in profitability as well as by impairment of assets.

4.7. Shareholders in the United States and other jurisdictions outside of the United Kingdom may not be able to participate in future equity offerings.

The Articles provide for pre-emption rights to be granted to Shareholders in the Company, unless such rights are disappplied by a shareholder resolution. However, securities laws of certain jurisdictions may restrict the Company's ability to allow participation by Shareholders in future offerings. In particular, shareholders in the United States may not be entitled to exercise these rights, unless either the Shares and any other securities that are offered and sold are registered under the US Securities Act, or the Shares and such other securities are offered pursuant to an exemption from, or in a transaction not subject to, the registration requirements of The US Securities Act. The Company cannot assure prospective investors that any exemption from such overseas securities law requirements would be available to enable US or other Shareholders to exercise their pre-emption rights or, if available, that the Company will utilise any such exemption.

4.8. Not all rights available to shareholders under US law will be available to holders of the Shares.

Rights afforded to shareholders under English law differ in certain respects from the rights of shareholders in typical US companies. The rights of holders of the Shares are governed by English law and the Articles. In particular, English law currently limits significantly the circumstances under which the shareholders of English companies may bring derivative actions. Under English law, in most cases, only the Company may be the proper plaintiff for the purposes of maintaining proceedings in respect of wrongful acts committed against it and, generally, neither an individual shareholder, nor any group of shareholders, has any right of action in such circumstances. In addition, English law does not afford appraisal rights to dissenting shareholders in the form typically available to shareholders in a US company.

4.9. Overseas shareholders may be subject to exchange rate risk.

The Shares are, and any dividends to be paid in respect of them will be, denominated in pounds sterling. An investment in Shares by an investor whose principal currency is not pounds sterling exposes the investor to foreign currency exchange rate risk. Any depreciation of pounds sterling in relation to such foreign currency will reduce the value of the investment in the Shares or any dividends in foreign currency terms.

4.10. The Principal Shareholder will retain a significant interest in, and will continue to exert substantial influence over the Group following the Offer and its interests may differ from or conflict with those of other Shareholders.

Immediately following Admission, the Principal Shareholder will continue to own beneficially 48.2% of the issued ordinary share capital of the Company (assuming no exercise of the Over-allotment Option) and 42.9% if the Over-allotment Option is exercised in full. As a result, the Principal Shareholder will possess sufficient voting power to have a significant influence over all matters requiring shareholder approval, including the election of Directors and approval of significant corporate transactions. The interests of the Principal Shareholder may not always be aligned with those of other holders of Shares.

PART 2

Presentation of Financial and Other Information

General

Investors should only rely on the information in this Prospectus. No person is or has been authorised to give any information or to make any representations in connection with the Offer, other than those contained in or consistent with this Prospectus and, if given or made, such information or representations must not be relied upon as having been authorised by or on behalf of the Company, the Directors, the Selling Shareholders, any of the Underwriters or the Financial Adviser. No representation or warranty, express or implied, is made by any of the Underwriters, the Financial Adviser, any of their respective affiliates or any selling agent as to the accuracy or completeness of such information, and nothing contained in this Prospectus is, or shall be relied upon as, a promise or representation by any of the Underwriters, the Financial Adviser, any of their respective affiliates or any selling agent as to the past, present or future. Without prejudice to any obligation of the Company to publish a supplementary prospectus pursuant to the FSMA, neither the delivery of this Prospectus nor any subscription or sale of Shares pursuant to the Offer shall, 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 Prospectus or that the information contained herein is correct as of any time subsequent to its date.

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 Prospectus may be relied upon as a promise or representation in this respect, as to the past or future.

A copy of this Prospectus 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 European Union (Withdrawal) Act 2018) and has been made available to the public in accordance with the Prospectus Regulation Rules. The FCA only approves this Prospectus 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 European Union (Withdrawal) Act 2018, and such approval should not be considered as an endorsement of the company that is the subject of this Prospectus.

The Company will update the information provided in this Prospectus by means of a supplement if a significant new factor that may affect the evaluation by prospective investors of the Offer occurs after the publication of this Prospectus or if this Prospectus contains any material mistake or substantial inaccuracy. This Prospectus and any supplement will be subject to approval by the FCA (as competent authority under Regulation (EU) 2017/1129 as it forms part of retained EU law as defined in the European Union (Withdrawal) Act 2018) and will be made public in accordance with the Prospectus Regulation Rules. If a supplement to this Prospectus is published prior to Admission, investors shall have the right to withdraw their applications for Shares made prior to the publication of the supplement. Such withdrawal must be made within the time limits and in the manner set out in any such supplement (which shall not be shorter than two clear business days after publication of the supplement).

The contents of this Prospectus are not to be construed as legal, business or tax advice. Each prospective investor should consult his or her own lawyer, financial adviser or tax adviser for legal, financial or tax advice and related aspects of a purchase of the Shares. In making an investment decision, each investor must rely on their own examination, analysis and enquiry of the Company and the terms of the Offer, including the merits and risks involved.

This Prospectus 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, the Selling Shareholders, the Financial Adviser, any of the Underwriters or any of their respective affiliates or representatives that any recipient of this Prospectus should subscribe for or purchase the Shares. Prior to making any decision as to whether to subscribe for or purchase the Shares, prospective investors should read this Prospectus. Investors should ensure that they read the whole of this Prospectus carefully and not just rely on key information or information summarised within it. In making an investment decision, prospective investors must rely upon their own examination, analysis and enquiry of the Company and the terms of this Prospectus, including the merits and risks involved.

Investors who subscribe for or purchase Shares in the Offer will be deemed to have acknowledged that: (i) they have not relied on any of the Underwriters, the Financial Adviser or any person affiliated with any of them in connection with any investigation of the accuracy of any information contained in this Prospectus or their investment decision; and (ii) they have relied on the information contained in this Prospectus, and no person has been authorised to give any information or to make any representation concerning the Group or the Shares

(other than as contained in this Prospectus) and, if given or made, any such other information or representation should not be relied upon as having been authorised by the Company, the Directors, the Selling Shareholders, any of the Underwriters or the Financial Adviser.

None of the Company, the Directors, the Selling Shareholders, any of the Underwriters or the Financial Adviser or any of their affiliates or representatives is making any representation to any offeree, subscriber or purchaser of the Shares regarding the legality of an investment by such offeree, subscriber or purchaser under the laws applicable to such offeree or purchaser. Each investor should consult with his or her own advisers as to the legal, tax, business, financial and related aspects of a purchase of the Shares.

In connection with the Offer, each of the Underwriters and the Financial Adviser and any of their respective affiliates may take up a portion of the Shares in the Offer as a principal position and in that capacity may retain, purchase, sell, offer to sell or otherwise deal for their own accounts in such Shares and other securities of the Company or related investments in connection with the Offer or otherwise. Accordingly, references in this Prospectus to the Shares being issued, offered, subscribed, acquired, placed or otherwise dealt in should be read as including any issue, offer, subscription, acquisition, dealing or placing by, the Underwriters and the Financial Adviser and any of their affiliates acting in such capacity. In addition, certain of the Underwriters or their affiliates may enter into financing arrangements (including swaps, warrants or contracts for differences) with investor in connection with which such Underwriters (or their affiliates) may from time to time acquire, hold or dispose of Shares. None of the Underwriters or Financial Adviser intends to disclose the extent of any such investment or transactions otherwise than in accordance with any legal or regulatory obligations to do so.

Over-allotment and stabilisation

In connection with the Offer, Goldman Sachs, as Stabilising Manager, or any of its agents, may (but will be under no obligation to), to the extent permitted by applicable law, over-allot Shares or effect other stabilisation transactions with a view to supporting the market price of the Shares at a higher level than that which might otherwise prevail in the open market. The Stabilising Manager is not required to enter into such transactions and such transactions may be effected on any securities market, over-the-counter market, stock exchange or otherwise and may be undertaken at any time during the period commencing on the date of the commencement of conditional dealings of the Shares on the London Stock Exchange and ending no later than 30 calendar days thereafter. However, there will be no obligation on the Stabilising Manager or any of its agents to effect stabilising transactions and there is no assurance that stabilising transactions will be undertaken. Such stabilisation, if commenced, may be discontinued at any time without prior notice. Except as required by law or regulation, neither the Stabilising Manager nor any of its agents intends to disclose the extent of any over-allotments made and/or stabilisation transactions conducted in relation to the Offer.

In connection with the Offer, the Stabilising Manager may, for stabilisation purposes, over-allot Shares up to a maximum of 52,500,005 Shares, being 15% of the total number of Shares comprised in the Offer. For the purposes of allowing the Stabilising Manager to cover short positions resulting from any such over-allotments and/or from sales of Shares effected by it during the stabilising period, it is expected that the Principal Shareholder will grant the Stabilising Manager the Over-allotment Option, pursuant to which the Stabilising Manager may purchase or procure purchasers for additional Shares at the Offer Price, which represents up to an additional 52,500,005 Shares, being 15% of the total number of Shares comprised in the Offer (the “Over-allotment Shares”). The Over-allotment Option will be exercisable in whole or in part, upon notice by the Stabilising Manager, at any time on or before the 30th calendar day after the commencement of conditional dealings of the Shares on the London Stock Exchange. Any Over-allotment Shares made available pursuant to the Over-allotment Option will rank *pari passu* in all respects with the Shares, including for all dividends and other distributions declared, made or paid on the Shares, will be purchased on the same terms and conditions as the Shares being sold in the Offer and will form a single class for all purposes with the other Shares.

Presentation of financial information

The financial information in this Prospectus 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 Prospectus. 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 9 (*Operating and Financial Review*) and Note 26 of Section B of Part 11 (*Historical Financial Information*) for further information.

Financial information

The Company was recently incorporated and as at the date of this Prospectus has no historical operations of its own. Therefore, this Prospectus 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 11 (*Historical Financial Information*) of this Prospectus has been prepared in accordance with the requirements of the Prospectus Regulation and the Listing Rules 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 11 (*Historical Financial Information*).

The historical financial information for the Group included in Section B of Part 11 (*Historical Financial Information*) is reported on in the accountants' report issued by Ernst & Young LLP included in Section A of Part 11 (*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 Prospectus 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. Potential investors should consult their own professional advisers to gain an understanding of the financial information in Part 11 (*Historical Financial Information*) and the implications of differences between the auditing standards noted herein.

Pro forma financial information

In this Prospectus, any reference to "pro forma" financial information is to information which has been extracted without material adjustment from the unaudited pro forma financial information contained in Section B of Part 12 (*Unaudited Pro Forma Financial Information*). The unaudited pro forma financial information has been prepared to illustrate the effect of the Offer as if it had taken place on 30 September 2020.

The unaudited pro forma financial information has been prepared for illustrative purposes only and, because of its nature, addresses a hypothetical situation and does not, therefore, represent the Group's actual financial position or results. The pro forma financial information has been prepared on the basis set out in Section B of Part 12 (*Unaudited Pro Forma Financial Information*) of this document and in accordance with Annex 20 of the Prospectus Regulation. The pro forma financial information is stated on the basis of the accounting policies of the Group.

Non-IFRS financial information

This Prospectus 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 Prospectus 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 IFRS16. IFRS16 was adopted by the Group on 1 April 2019. The group used the modified retrospective transition approach. IFRS16 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	
	2018	2019	(£m) 2020	2019 (unaudited)	2020
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	
	2018	2019	(£m) 2020	2019 (unaudited)	2020
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 Prospectus in comparing the Group's historical financial performance from period to period, certain key financial and operating measures ("KPIs") have been presented in this Prospectus. 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 Prospectus 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

Year	US dollar			
	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 27 January 2021)	1.3687	1.3637	1.3736	1.3518

Year	Euro			
	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 27 January 2021)	1.1316	1.1196	1.1316	1.1046

Source: Bloomberg

Roundings

Certain data in this Prospectus, including financial, statistical, and operating information has been rounded. As a result of the rounding, the totals of data presented in this Prospectus 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 Prospectus related to markets, market sizes, market shares, market positions, economic and industry data in this Prospectus constitute the Directors' estimates, using underlying data from independent third parties. The Company obtained market data and certain industry forecasts used in this Prospectus 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 Prospectus 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, the Underwriters and the Financial Adviser make no representation or warranty as to the accuracy or completeness of such information as set forth in this Prospectus.

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

Service of process and enforcement of civil liabilities

The Company is a public limited company incorporated under English law. Many of the Directors are citizens of the United Kingdom (or other non-US jurisdictions), and a portion of the Company's assets are located outside the United States. As a result, it may not be possible for investors to effect service of process within the United States upon the Directors or to enforce against them in the US courts judgments obtained in US courts predicated upon the civil liability provisions of the US federal securities laws. There is doubt as to the enforceability in England, in original actions or in actions for enforcement of judgments of the US courts, of civil liabilities predicated upon US federal securities laws.

No incorporation of website information

The contents of the Company's website do not form part of this Prospectus.

Definitions and glossary

Certain terms used in this Prospectus, including all capitalised terms and certain technical and other items, are defined and explained in Part 15 (*Definitions and Glossary*).

Information not contained in this Prospectus

No person has been authorised to give any information or make any representation other than those contained in this Prospectus 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. Neither the delivery of this Prospectus nor any sale made hereunder shall, 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 Prospectus or that the information in this Prospectus is correct as of any time subsequent to the date hereof.

Information regarding forward-looking statements

This Prospectus 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 "believe", "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 Prospectus 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, strategies, and dividend policy of the Group and the industry in which it operates. In particular, the statements under the headings “Summary”, “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 Prospectus 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 Prospectus speak only as of the date of this Prospectus. The Company, the Directors, the Selling Shareholders, the Underwriters, the Financial Adviser 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, the Prospectus Regulation Rules, the Listing Rules, or the Disclosure Guidance and Transparency Rules of the FCA.

The statements above related to forward-looking statements should not be construed as a qualification of the working capital statement contained in paragraph 23 (*Working capital*) of Part 14 (*Additional Information*) of this Prospectus.

PART 3

Directors, Secretary, Registered and Head Office and Advisers

Directors	Paul Mason (<i>Chair</i>) Kenny Wilson (<i>Chief Executive Officer</i>) Jon Mortimore (<i>Chief Financial Officer</i>) Lynne Weedall (<i>Senior Independent Non-Executive Director</i>) Tara Alhadeff (<i>Non-Executive Director</i>) Ije Nwokorie (<i>Independent Non-Executive Director</i>) Robyn Perriss (<i>Independent Non-Executive Director</i>) Ian Rogers (<i>Independent Non-Executive Director</i>)
Company Secretary	Emily Reichwald
Registered and head office of the Company	28 Jamestown Road Camden London NW1 7BY
Sponsor, Joint Global Co-ordinator and Joint Bookrunner	Morgan Stanley & Co. International plc 25 Cabot Square London E14 4QA
Joint Global Co-ordinator and Joint Bookrunner . . .	Goldman Sachs International Plumtree Court 25 Shoe Lane London EC4A 4AU
Joint Bookrunners	Barclays Bank PLC 5 The North Colonnade Canary Wharf London E14 4BB HSBC Bank plc 8 Canada Square London E14 5HQ Merrill Lynch International 2 King Edward Street London EC1A 1HQ RBC Europe Limited 100 Bishopsgate London EC2N 4AA
Co-lead Managers	Banco Santander, S.A. Paseo de Pereda, 9-12 Santander, Cantabria Spain Raiffeisen Bank International AG Am Stadtpark 9, 1030 Vienna Austria

Financial Adviser to the Company	Lazard & Co., Limited 50 Stratton Street London W1J 8LL
English and US legal advisers to the Company	Freshfields Bruckhaus Deringer LLP 100 Bishopsgate London EC2P 2SR
English and US legal advisers to the Sponsor, Joint Global Co-ordinators, Joint Bookrunners and Co-lead Managers	Linklaters LLP One Silk Street London EC2Y 8HQ
Auditors and Reporting Accountants	Ernst & Young LLP 1 More London Place London SE1 2AF
Reporting Accountants	PricewaterhouseCoopers LLP 1 Embankment Place London WC2N 6RH
Registrars	Equiniti Limited Aspect House Spencer Road Lancing West Sussex BN99 6DA

PART 4

Expected Timetable of Principal Events and Offer Statistics

Expected timetable of principal events

Event	Time and Date
Prospectus published, announcement of Offer Price and allocation	29 January 2021
Start of conditional dealings on the London Stock Exchange	8.00 a.m. on 29 January 2021
Admission and start of unconditional dealings on the London Stock Exchange	8.00 a.m. on 3 February 2021
Crediting of Shares to CREST accounts	3 February 2021
Despatch of definitive share certificates (where applicable)	from 3 February 2021

It should be noted that, if Admission does not occur, all conditional dealings will be of no effect and any such dealings will be at the sole risk of the parties concerned. Temporary documents of title will not be issued.

All times are London times. Each of the times and dates in the above timetable is subject to change without further notice.

Offer statistics

Offer Price (per Share)	370 pence
Number of Existing Shares in the Offer ⁽¹⁾	350,000,035
Percentage of the issued Share capital being offered in the Offer ⁽¹⁾	35.0%
Number of existing Shares subject to the Over-allotment Option	52,500,005
Number of Shares in issue following the Offer	1,000,000,100
Market capitalisation of the Company at the Offer Price	£3.700 billion
Estimated net proceeds of the Offer receivable by the Selling Shareholders ⁽²⁾	£1.256 billion

Notes:

- (1) Excluding any Over-allotment Shares that may be sold pursuant to the Over-allotment Option.
- (2) The estimated net proceeds receivable by the Selling Shareholders are stated after deduction of the estimated underwriting commissions and other fees and expenses of the Offer (including VAT and transfer taxes) payable by the Selling Shareholders, which are currently expected to be approximately £39.1 million in aggregate. The Company will not receive any of the net proceeds from the sale of the Existing Shares in the Offer by the Selling Shareholders or the sale of any Over-allotment Shares pursuant to the Over-allotment Option.

PART 5

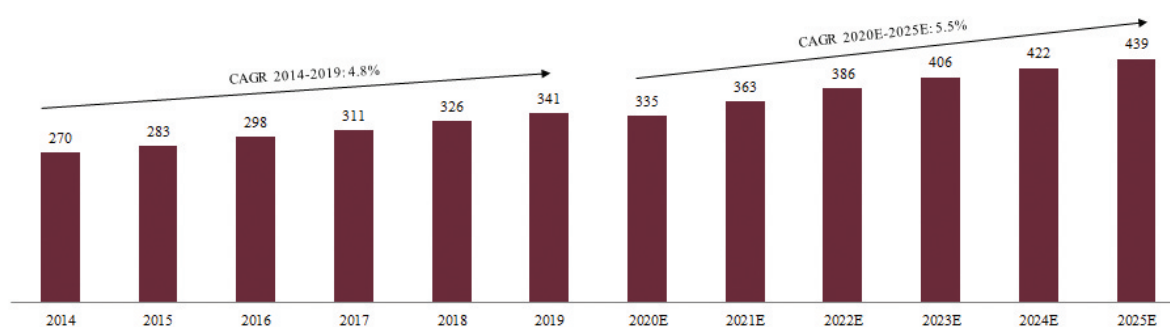
Industry Overview

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. Investors should read this Part 5 (Industry Overview) in conjunction with the more detailed information contained in this Prospectus including Part 1 (Risk Factors) and Part 9 (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).

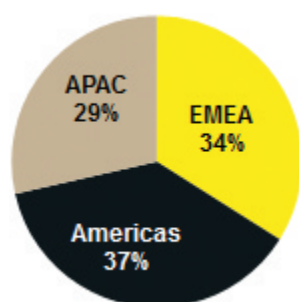
The footwear market is comprised of several sub-categories of shoes: sneakers, which according to Statista represented 16% of the global footwear market in 2019, athletic footwear (12% of the market), leather footwear (33% of the market) and textile and other footwear categories (39% of the market). 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

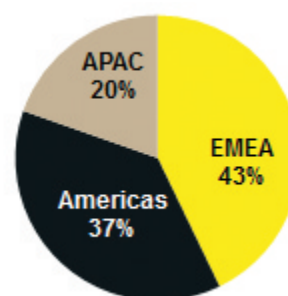
The global footwear market is broadly equally divided between EMEA, the Americas, and APAC. As shown in the exhibit below, Dr. Martens has a diversified global presence, with sales in more than 60 countries. The Group's current geographical footprint, in terms of total Group revenue, is more weighted 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 (%)

2019 Worldwide Footwear Market Retail Sales



FY20 Dr. Martens Group Revenue



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 6

Business Description

Investors should read this Part 6 (Business Description) in conjunction with the more detailed information contained in this Prospectus including the financial and other information appearing in Part 9 (Operating and Financial Review). Where stated, financial information in this section has been extracted from Part 11 (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 culture 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.à.r.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,

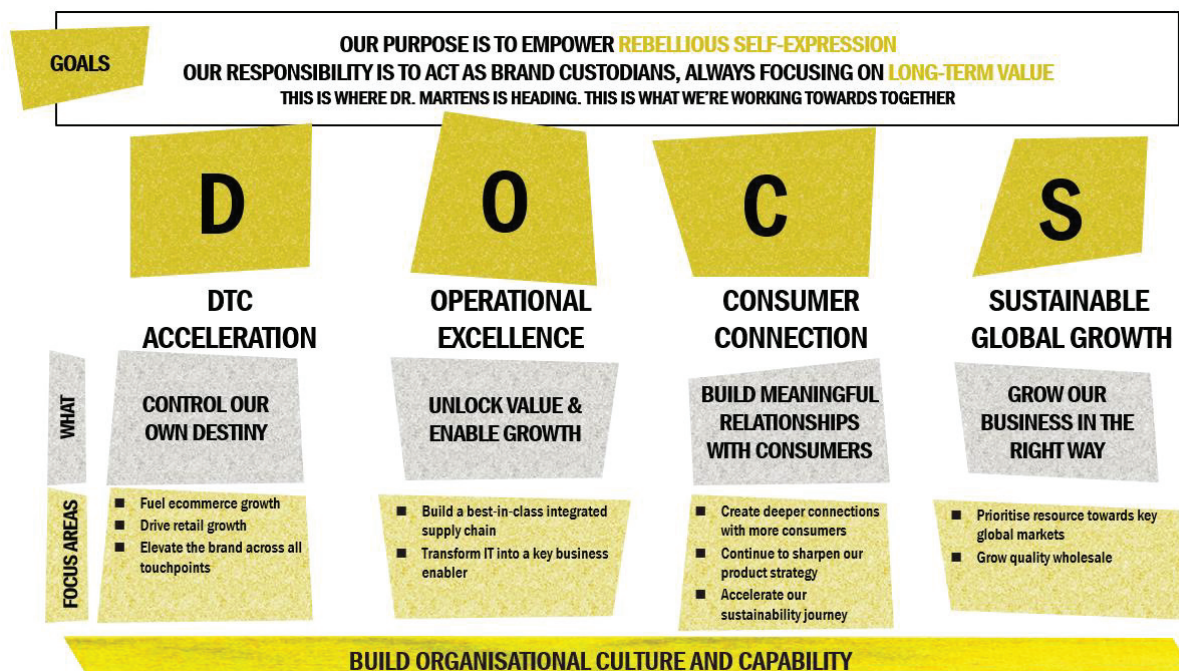
allowing it to grow rapidly in recent years while delivering a strong and improving financial profile. The following table sets out certain key financial and operating metrics of the Group for the periods indicated.

	Year ended 31 March			Six months ended 30 September	
	2018	2019	(£m) 2020	2019 (unaudited)	2020
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 has been 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

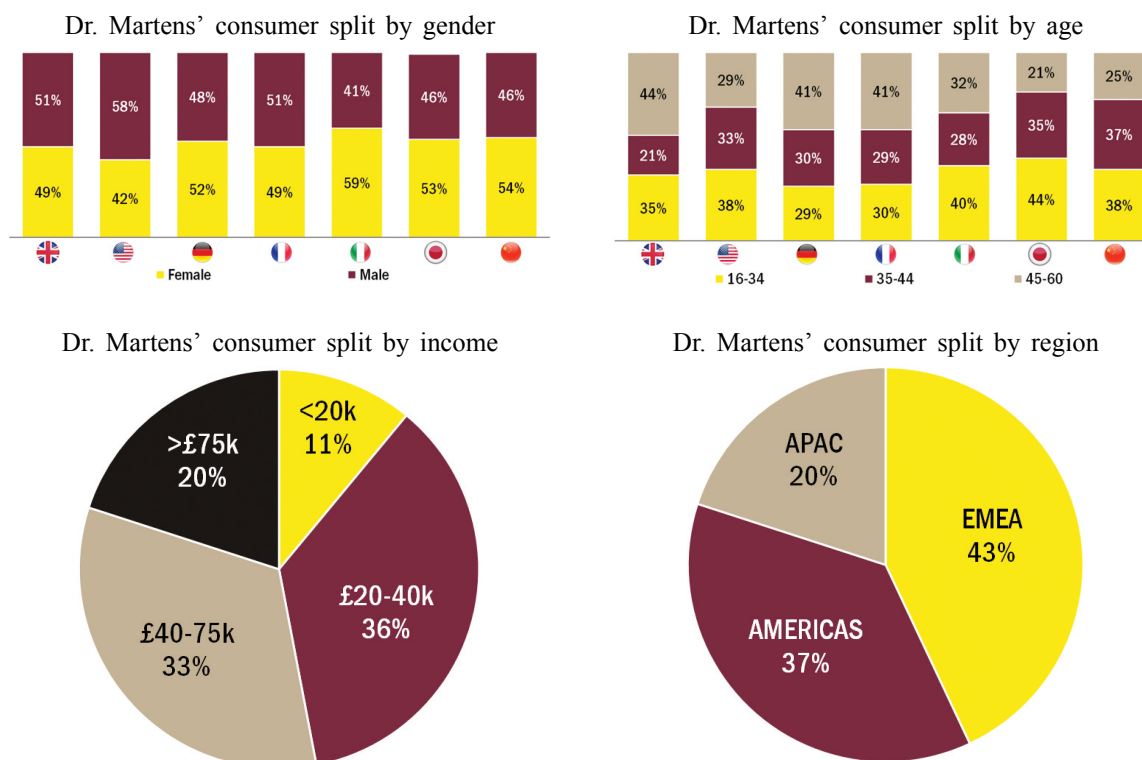
The Group has strong brand awareness with consumers that value their Dr. Martens boots and shoes. The following table shows consumer preference and awareness of the Dr. Martens brand based on the results of the Group's August 2020 consumer survey of the footwear market.

	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.



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.

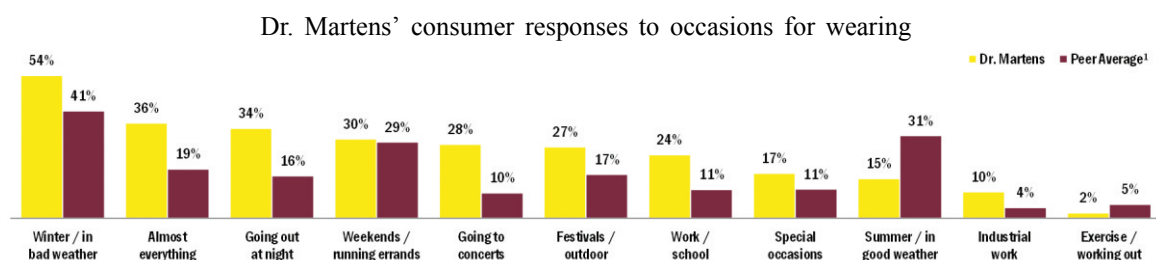
	Dr. Martens' Score ⁽¹⁾	Relative to market ⁽²⁾	Correlation to loyalty
"Fits with my personal style"	70%	+2%	0.79
"Is a brand for people like me"	73%	+3%	0.79
"Has a style I really love"	75%	+7%	0.79
"Makes me feel confident"	67%	+6%	0.70
"Makes me feel proud to wear them"	67%	+8%	0.70
"Has a classic / 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.

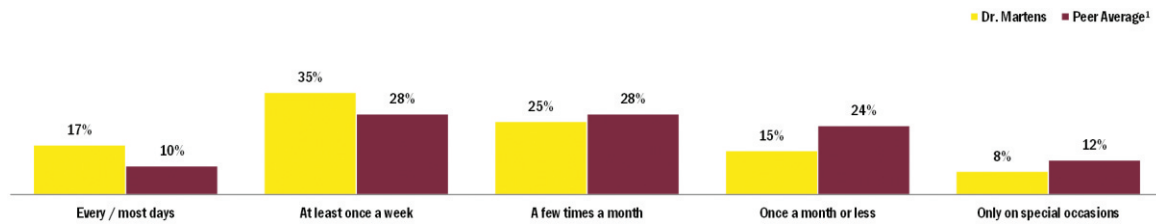
Dr. Martens' wearers generally wear their Dr. Martens products frequently and for a variety of occasions, with over half wearing their Dr. Martens at least once per week and over one-third indicating they wear their Dr. Martens for almost everything, as demonstrated by the results of the Group's August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



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 consumers, 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

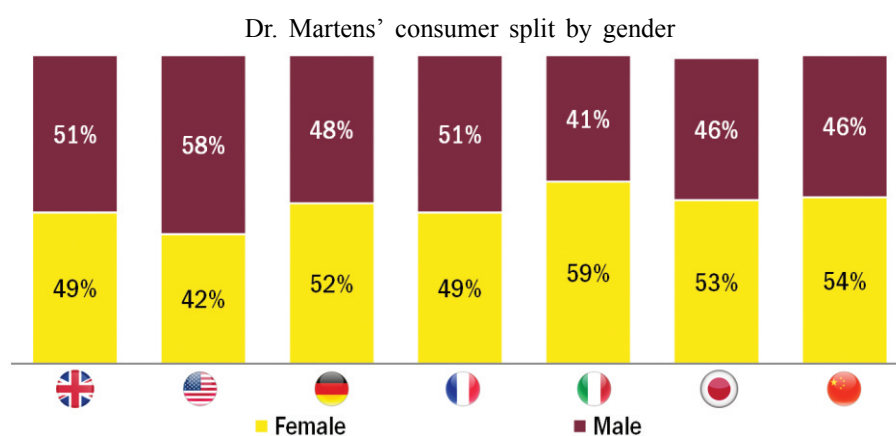
Product offering, design and merchandising process and marketing

Product offering

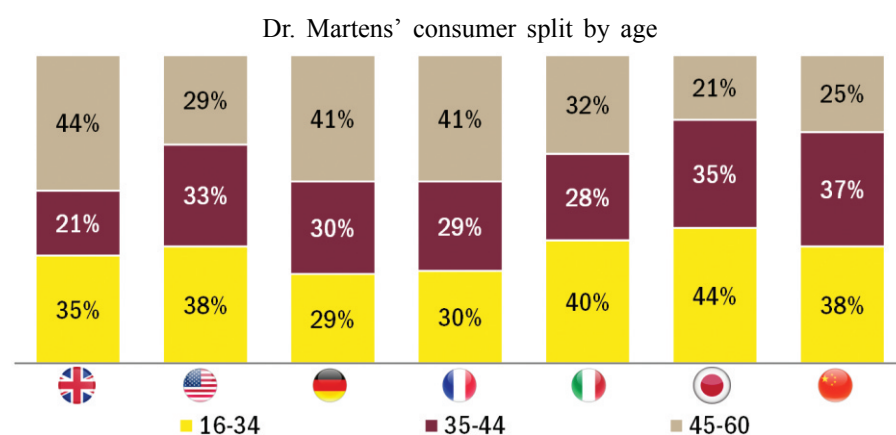
Brand identity and equity

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 Prospectus, 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).



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.



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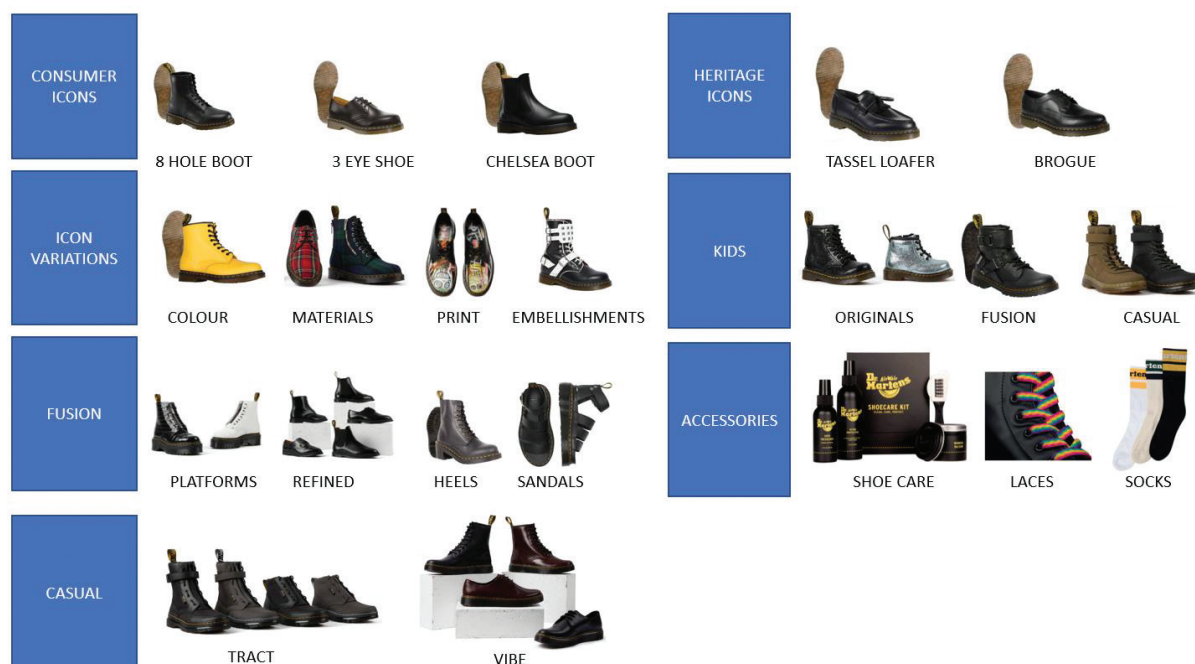
The Directors believe that the Dr. Martens brand presence remains much bigger than reflected in the Group's current business results. There are significant opportunities to leverage Dr. Martens' distinctive brand equity to bring new consumers into the brand across all key markets, without major changes 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 Prospectus.



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:



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.

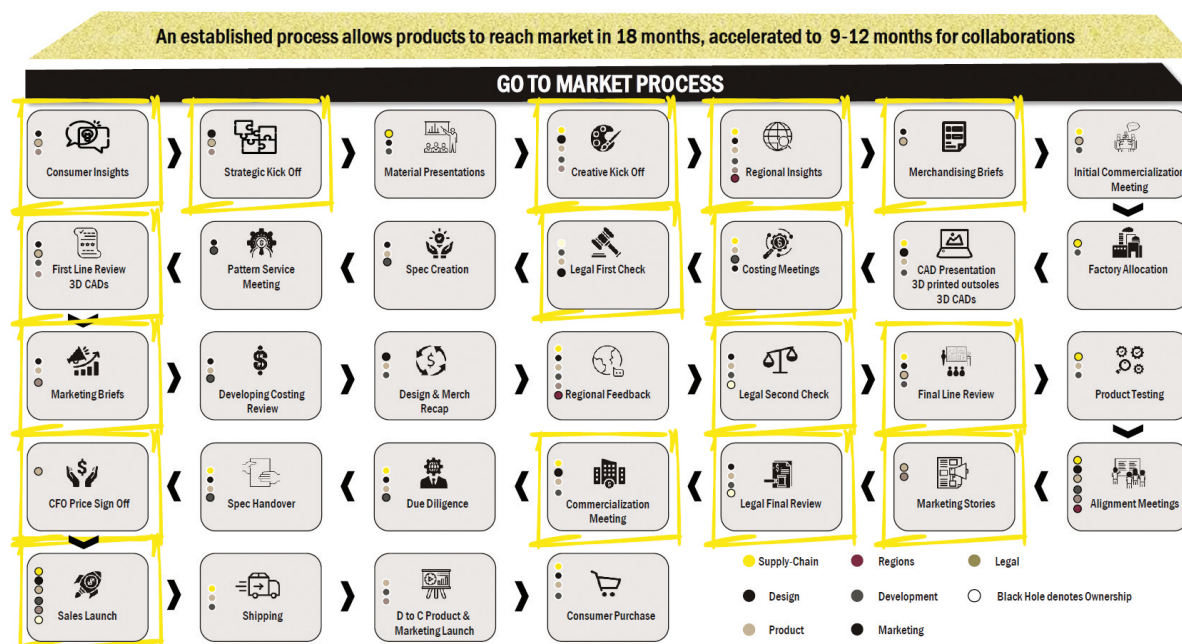
Moving forward, the Directors expect to maintain the narrower, focused product range of bags, wallets, shoe care, laces and socks.

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 addition 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 Northamptonshire, Paris, Düsseldorf, Stockholm, Milan, Los Angeles, New York, Tokyo, Shanghai, Seoul, Zhuhai and Ho Chi Minh City. 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.

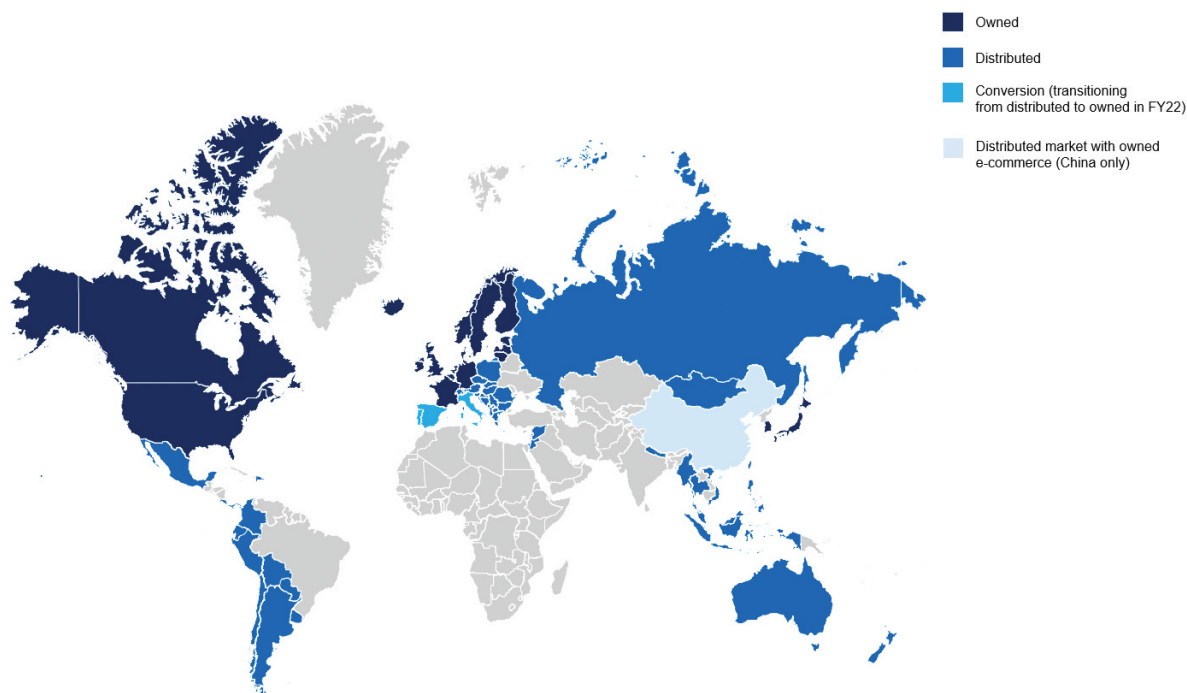
Sales channels

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 Prospectus.



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 marketing 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.

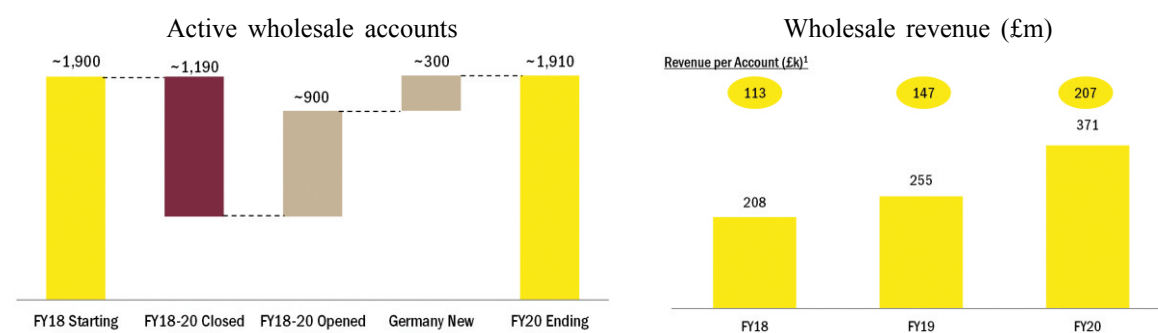
Business-to-business

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 illustrate the evolution of the Group's wholesale customer base and revenue from FY18 to FY20.



(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 Prospectus, 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 Prospectus, 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 its 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 Prospectus, 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 Prospectus, 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 Prospectus, 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 Prospectus.

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 17.1 “*Brand licensing arrangements*” of Part 14 (*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 2020
	2018	2019	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 2020
	2018	2019	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 13 (*Pensions*) and paragraph 7.5 (*Directors’ and Senior Managers’ Remuneration*) of Part 10 (*Additional Information*).

PART 7

Directors, Senior Managers and Corporate Governance

Directors

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

<u>Name</u>	<u>Age</u>	<u>Position</u>
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 Nworie	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 re-listed 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 in bridging 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 EMEA 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 Mediagame (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"):

<u>Name</u>	<u>Age</u>	<u>Position</u>
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 and Company Secretary
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 leadership 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 and Company Secretary*)

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**UK Corporate Governance Code**

The Board is committed to the highest standards of corporate governance. Save as disclosed below, as of the date of this Prospectus and on and following Admission, the Board will comply with the UK Corporate Governance Code (the "Governance Code"). As envisaged by the Governance Code, the Board has established an audit and risk committee, a nomination committee and a remuneration committee and has also established a separate market disclosure committee. If the need should arise, the Board may set up additional committees as appropriate.

The Governance Code recommends that, on appointment, the chair of a company with a premium listing on the Official List should meet the independence criteria set out in the Governance Code. The Chair, Paul Mason, has held various roles within the Group (including acting as executive chairman for a period), and the Board does not consider Paul to meet the independence criteria set out in the Governance Code by virtue of his previous roles. However, notwithstanding that it does not consider Paul to meet the independence criteria set out in the Governance Code, the Board believes that Paul's knowledge of the Group's business, and his retail and consumer brand experience, is in the best interests of the Company and the Shareholders as a whole.

The Governance Code recommends that, in the case of a FTSE 350 company, at least half the board of directors, excluding the chair, should comprise non-executive directors determined by the board to be independent in character and judgment and free from relationships or circumstances which may affect, or could appear to affect, the director's judgment. The Board considers that the Company complies with the requirements of the Governance Code in this respect.

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 Nworie and Lynne Weedall. The Governance Code recommends that all members of the audit and risk committee be non-executive directors, independent in character and judgment and free from any relationship or circumstance which may, could or would be likely to, or appear to, affect their judgment and that one such member has recent and relevant financial experience. The Board considers that Robyn Perriss has recent and relevant financial experience and the Company complies with the requirements of the Governance Code in this respect.

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 Nworie, Robyn Perriss and Ian Rogers. For so long as the Principal Shareholder's shareholding is equal to or exceeds 10%, it is entitled to nominate a representative director to be a member of the nomination committee. The Governance Code recommends that a majority of the nomination committee be non-executive directors, independent in character and judgment and free from any relationship or circumstance which may, could or would be likely to, or appear to, affect their judgment. The Board considers that four of the six members of the nomination committee are independent for the purposes of the Governance Code and therefore the Company complies with the requirements of the Governance Code in this respect.

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. The Governance Code recommends that all members of the remuneration committee be non-executive directors, independent in character and judgment and free from any relationship or circumstance which may, could or would be likely to, or appear to, affect their judgment. The Board considers that the Group complies with the requirements of the Governance Code in this respect.

Market disclosure committee

The Board has established a market disclosure committee in order to ensure timely and accurate disclosure of all information that is required to be so disclosed to the market to meet the legal and regulatory obligations and requirements arising from the listing of the Company's securities on the London Stock Exchange, including the Listing Rules, the Disclosure Guidance and Transparency Rules and the Market Abuse Regulation.

The market disclosure committee will meet as often as necessary to fulfil its responsibilities. Meetings may be called by the General Counsel and Company Secretary at the request of any member of the market disclosure committee. The market disclosure committee must have at least three members. Members of the market disclosure committee are appointed by the Board.

Share dealing code

The Company has adopted, with effect from Admission, a code of securities dealings in relation to the Shares which is based on the requirements of the Market Abuse Regulation. The code adopted will apply to the Directors and all employees of the Group.

Relationship with the Principal Shareholder

Immediately following the Offer and Admission, the Company expects that the Principal Shareholder will control more than 30% of the votes able to be cast on all or substantially all matters at general meetings of the Company. On 23 January 2021, the Company and the Principal Shareholder entered into the Relationship Agreement which will, conditional upon Admission, regulate the ongoing relationship between the Company and the Principal Shareholder.

The principal purpose of the Relationship Agreement is to ensure that the Company can carry on an independent business as its main activity. The Relationship Agreement contains, among others, undertakings

from the Principal Shareholder, on behalf of itself and its associates, that: (i) transactions and arrangements with it (and/or any of its associates) will be conducted at arm's length and on normal commercial terms; (ii) neither it nor any of its associates will take any action that would have the effect of preventing the Company from complying with its obligations under the Listing Rules, and (iii) neither it nor any of its associates will propose or procure the proposal of a shareholder resolution which is intended or appears to be intended to circumvent the proper application of the Listing Rules (the "Independence Provisions").

Pursuant to the Relationship Agreement, the Principal Shareholder will be able to appoint one Non-Executive Director to the Board for so long as it (together with any of its associates) controls or is entitled to control the exercise of, in aggregate 10% or more of the votes able to be cast on all or substantially all matters at general meetings of the Company. The Principal Shareholder will consult in advance with the chair of the Company's nomination committee regarding the identity of any person proposed to be nominated as a Non-Executive Director. In addition, for so long as the Principal Shareholder (together with any of its associates) controls or is entitled to control the exercise of, in aggregate 10% or more of the votes able to be cast on all or substantially all matters at general meetings of the Company, the Principal Shareholder is entitled to nominate its representative Non-Executive Director to be a member of the Company's nomination committee. The Principal Shareholder's first appointed representative Non-Executive Director is Tara Alhadeff.

The Principal Shareholder will have certain information rights for the purposes of its accounting, tax or other regulatory requirements. In addition, pursuant to the Relationship Agreement, the Company may request that Permira Advisers LLP provides it with advisory services. The Principal Shareholder has undertaken to hold information it receives on the Group in confidence and in accordance with applicable law.

The Relationship Agreement also provides for the Company to provide, subject to certain limitations and exceptions, certain reasonable cooperation and assistance to the Principal Shareholder in the event of a sale of the Shares by the Principal Shareholder at any time following the Offer. The Relationship Agreement provides for the Principal Shareholder to ensure that any such secondary sales in the Company are conducted in an orderly manner.

The Relationship Agreement will continue for so long as (a) the Shares are listed on the premium listing segment of the Official List and traded on the London Stock Exchange's main market for listed securities and (b) the Principal Shareholder (together with any of its associates) controls or is entitled to control the exercise of in aggregate 10% or more of the votes able to be cast on all or substantially all matters at general meetings of the Company. The Directors believe that the terms of the Relationship Agreement will enable the Group to carry on its business independently of the Principal Shareholder.

While the Principal Shareholder, on its own or together with any person with whom it is acting in concert, holds 30% or more of the votes able to be cast on all or substantially all matters at general meetings of the Company, it will be a 'controlling shareholder' for the purposes of the Listing Rules. In such circumstances, certain resolutions, such as resolutions relating to the election of independent directors or the cancellation of the Company's listing, will, in order to be passed, need to be approved by both (a) a majority of Shareholders voting on the resolution and (b) a majority of Shareholders voting on the resolution excluding the Principal Shareholder.

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 8

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 11 (*Historical Financial Information*).

Consolidated statement of comprehensive income

	Year ended 31 March			Six months ended 30 September	
	2018	2019	(£m) 2020	2019 (unaudited)	2020
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			As at 30 September
	2018	2019	(£m) 2020	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
	<u>276.5</u>	<u>284.7</u>	<u>379.3</u>	<u>378.2</u>
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
	<u>169.3</u>	<u>165.5</u>	<u>277.2</u>	<u>372.6</u>
Total assets	<u>445.8</u>	<u>450.2</u>	<u>656.5</u>	<u>750.8</u>
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)
	<u>(55.6)</u>	<u>(64.5)</u>	<u>(130.7)</u>	<u>(183.5)</u>
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)
	<u>(419.6)</u>	<u>(394.1)</u>	<u>(455.3)</u>	<u>(466.9)</u>
Total liabilities	<u>(475.2)</u>	<u>(458.6)</u>	<u>(586.0)</u>	<u>(650.4)</u>
Net assets/(liabilities)	<u>(29.4)</u>	<u>(8.4)</u>	<u>70.5</u>	<u>100.4</u>
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	<u>(29.4)</u>	<u>(8.4)</u>	<u>70.5</u>	<u>100.4</u>

Consolidated statement of cash flows

	Year ended 31 March			Six months ended 30 September	
	2018	2019	(£m) 2020	2019 (unaudited)	2020
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

	Year ended 31 March			Six months ended 30 September	
	2018	2019	(£m) 2020	2019 (unaudited)	2020
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 9

Operating and Financial Review

This Part 9 (Operating and Financial Review) should be read in conjunction with Part 2 (Presentation of Financial and Other Information), Part 5 (Industry Overview), Part 6 (Business Description) and Part 11 (Historical Financial Information). Prospective investors should read the entire document and not just rely on the summary set out below. The financial information considered in this Part 9 (Operating and Financial Review) is extracted from the financial information set out in Part 11 (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 Prospectus, 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 5 (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 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, 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 11 (*Historical Financial Information*) for further information.

RECENT ACCOUNTING PRONOUNCEMENTS

See Note 1 of Section B of Part 11 (*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	
	2018	2019	(£m) 2020	2019 (unaudited)	2020
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 33¹/₃% 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. Direct-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 channel 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 11 (*Historical Financial Information*).

	Year ended 31 March			Six months ended 30 September	
	2018	2019	(£m) 2020	2019 (unaudited)	2020
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	
	2018	2019	(£m) 2020	2019 (unaudited)	2020
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			As at 30 September
	2018	2019	(£m) 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
<i>Split of above:</i>				
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 (£m)	More than 5 years	Total
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 11 (*Historical Financial Information*).

Consolidated cash flow statement data

	Year ended 31 March			Six months ended 30 September	
	2018	2019	2020 (£m)	2019 (unaudited)	2020
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 activities

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 in the six months ended 30 September 2020 (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 30 September
	2018	2019	(£m) 2020	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 11 (*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 11 (Historical Financial Information).

PART 10

Capitalisation and Indebtedness

Capitalisation and indebtedness

The capitalisation information set out below has been extracted without material adjustment from the Group's financial information as at 30 September 2020, which is set out in Section B of Part 11 (*Historical Financial Information*). The indebtedness information has been extracted without material adjustment from the unaudited accounting records of the Group as at 29 November 2020.

	29 November 2020
	(£m)
	(unaudited)
Total current debt	
Guaranteed	—
Secured	—
Unguaranteed/unsecured ⁽¹⁾	<u>20.4</u>
Total non-current debt (excluding current portion of long-term debt)	
Guaranteed	—
Secured ⁽²⁾	65.4
Unguaranteed/unsecured ⁽³⁾	<u>401.8</u>
Total Indebtedness	487.6
	30 September 2020
	(£m)
Shareholder's equity⁽⁴⁾	
Share capital	—
Share premium reserve	—
Other reserves ⁽⁵⁾	<u>(158.6)</u>
Total	<u>(158.6)</u>

(1) Current unguaranteed/unsecured debt comprises Lease liabilities due within one year of £20.4 million as of 29 November 2020.

(2) Non-current secured debt comprises the balance of bank loans outstanding under the Senior facilities agreement (as defined in paragraph 17.5 (*The Group's financing arrangements*) of Part 14 (*Additional Information*)).

(3) Non-current unguaranteed/unsecured debt comprises Lease liabilities due after one year of £66.1 million and Redeemable Preference Shares of £335.7 million as of 29 November 2020.

(4) Shareholder's equity excludes retained earnings.

(5) Other reserves comprises Hedging reserve of £(0.2) million, Capital reserve—own shares of £(0.6) million, Capital redemption reserve of £(165.8) million and Foreign currency translation reserve of £8.0 million as of 30 September 2020.

The Group's capitalisation in the table above does not take into account the Reorganisation described in paragraph 3 (*Reorganisation*) of Part 14 (*Additional Information*). Except as set out in the preceding sentence, there has been no material change to the Group's total capitalisation since 30 September 2020

The following table sets out the Group's net indebtedness as at 29 November 2020.

	29 November 2020
	(£m)
	(unaudited)
Cash and cash equivalents	(175.7)
Restricted cash	(4.2)
Liquidity	(179.9)
Current financial receivable	—
Current bank debt	—
Current position of non-current debt	—
Other financial debt ⁽¹⁾	20.4
Current finance debt	20.4
Net current financial indebtedness	20.4
Non-current bank loans ⁽²⁾	65.4
Other non-current loans ⁽³⁾	401.8
Non-current financial indebtedness	467.2
Net financial indebtedness	307.7

(1) Current other financial debt comprises Lease liabilities due within one year of £20.4 million as of 29 November 2020.

(2) Non-current bank loans comprises the balance of bank loans outstanding under the Senior facilities agreement (as defined in paragraph 17.5 (*The Group's financing arrangements*) of Part 14 (*Additional Information*)).

(3) Other non-current loans comprises Lease liabilities due after one year of £66.1 million and Redeemable Preference Shares of £335.7 million as of 29 November 2020.

The Group has no indirect and contingent indebtedness.

The Group's net indebtedness in the table above does not take into account the Reorganisation described in paragraph 3 (*Reorganisation*) of Part 14 (*Additional Information*). Except as set out in the preceding sentence, there has been no material change to the Group's net indebtedness since 29 November 2020.

PART 11

Historical Financial Information

Section A—Accountants’ report on the Historical Financial Information

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

29 January 2021

Dear Sirs

Doc Topco Limited

We report on the financial information set out in section B of Part 11 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 prospectus dated 29 January 2021 of Dr. Martens plc (the “Company”) on the basis of the accounting policies set out in note 1 to the financial information. 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 prospectus.

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 prospectus dated 29 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 Prospectus Regulation Rule 5.3.2R(2)(f) we are responsible for this report as part of the prospectus 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 prospectus 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

		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
	Notes	£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 £m	As at 31 March 2020 £m	As at 31 March 2019 £m	As at 31 March 2018 £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
		<u>378.2</u>	<u>379.3</u>	<u>284.7</u>	<u>276.5</u>
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	—
Restricted cash	15	4.2	—	—	—
Cash and cash equivalents	15	146.8	117.2	58.4	86.4
		<u>372.6</u>	<u>277.2</u>	<u>165.5</u>	<u>169.3</u>
Total assets		<u>750.8</u>	<u>656.5</u>	<u>450.2</u>	<u>445.8</u>
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)
		<u>(183.5)</u>	<u>(130.7)</u>	<u>(64.5)</u>	<u>(55.6)</u>
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)
		<u>(466.9)</u>	<u>(455.3)</u>	<u>(394.1)</u>	<u>(419.6)</u>
Total liabilities		<u>(650.4)</u>	<u>(586.0)</u>	<u>(458.6)</u>	<u>(475.2)</u>
Net assets/(liabilities)		<u>100.4</u>	<u>70.5</u>	<u>(8.4)</u>	<u>(29.4)</u>
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		<u>100.4</u>	<u>70.5</u>	<u>(8.4)</u>	<u>(29.4)</u>

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)
<i>Comprehensive income</i>								
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)
<i>Comprehensive income</i>								
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)
<i>Comprehensive income</i>								
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
<i>Comprehensive income</i>								
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
<i>Comprehensive income</i>								
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 107 to 157 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		<u>22.9</u>	<u>21.2</u>	<u>41.5</u>	<u>39.1</u>	<u>39.5</u>
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		<u>56.1</u>	<u>27.2</u>	<u>35.7</u>	<u>11.7</u>	<u>5.4</u>
Change in working capital		<u>(7.2)</u>	<u>(46.7)</u>	<u>(17.0)</u>	<u>(12.4)</u>	<u>10.1</u>
Cash flows from operating activities		76.1	16.2	155.9	68.1	51.5
Cash generated from operations . .		<u>(10.7)</u>	<u>(19.5)</u>	<u>(34.5)</u>	<u>(12.1)</u>	<u>(5.5)</u>
Cash generated from operating activities		<u>65.4</u>	<u>(3.3)</u>	<u>121.4</u>	<u>56.0</u>	<u>46.0</u>
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		<u>(3.4)</u>	—	—	—	—
Cash used in investing activities		<u>(11.6)</u>	<u>(9.4)</u>	<u>(21.9)</u>	<u>(17.1)</u>	<u>(16.4)</u>
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		<u>(10.7)</u>	<u>(9.5)</u>	<u>(20.4)</u>	—	—
Cash used in financing activities		<u>(22.3)</u>	<u>(35.2)</u>	<u>(44.0)</u>	<u>(69.3)</u>	<u>(9.3)</u>
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 . .		<u>(1.9)</u>	<u>1.9</u>	<u>3.3</u>	<u>2.4</u>	<u>(1.1)</u>
Cash and cash equivalents at end of period/year		<u>146.8</u>	<u>12.4</u>	<u>117.2</u>	<u>58.4</u>	<u>86.4</u>
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		<u>(8.2)</u>	<u>(9.4)</u>	<u>(21.9)</u>	<u>(17.1)</u>	<u>(16.4)</u>

	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
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 European Union (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 bricks-

and-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

Conditional upon Admission, the Group will replace the existing facilities with the New Facilities Agreement comprising a five year term loan of €337.5 million and a five year committed revolving credit facility of £200.0 million. These facilities have been taken into account for the purposes 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 liquidity and covenant headroom throughout 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 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, Mar19: £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:

	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
Region					
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 £m	At 31 March 2020 £m	At 31 March 2019 £m	At 31 March 2018 £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 £m	(Unaudited) 6 months ended 30 September 2019 £m	Year ended 31 March 2020 £m	Year ended 31 March 2019 £m	Year ended 31 March 2018 £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
	<u>2,263</u>	<u>1,954</u>	<u>2,288</u>	<u>1,870</u>	<u>1,586</u>

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
	<u>48.7</u>	<u>42.7</u>	<u>99.8</u>	<u>74.2</u>	<u>53.1</u>

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
	<u>12.4</u>	<u>9.9</u>	<u>27.6</u>	<u>13.3</u>	<u>8.5</u>
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)
	<u>—</u>	<u>(1.0)</u>	<u>(1.4)</u>	<u>(1.6)</u>	<u>(2.1)</u>
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
<i>Effects of:</i>					
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 relate 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
	<u>240.7</u>	<u>240.7</u>	<u>240.7</u>	<u>240.7</u>

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 £m	Leasehold £m	Plant and Machinery £m	Office equipment £m	Motor vehicles £m	Total £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
Impairment ⁽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
Impairment ⁽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
Impairment ⁽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		Nature of business
			Direct	Indirect	
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

Name	Country of registration	Class of share capital held	Nature of investment		Nature of business
			Direct	Indirect	
Dr Martens Sports & Leisure Limited ⁽¹⁾	England and Wales	£1 Ordinary shares	—	100%	Dormant
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, Harbour 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
	<u>128.0</u>	<u>90.0</u>	<u>53.9</u>	<u>39.8</u>
	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	<u>0.7</u>	<u>1.5</u>	<u>—</u>	<u>0.8</u>

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

	As at 30 September 2020	As at 31 March 2020	As at 31 March 2019	As at 31 March 2018
	£m	£m	£m	£m
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
	<u>76.6</u>	<u>55.5</u>	<u>40.8</u>	<u>29.7</u>

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	—	—	—
	<u>151.0</u>	<u>117.2</u>	<u>58.4</u>	<u>86.4</u>

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
	<u>92.1</u>	<u>42.7</u>	<u>27.5</u>	<u>26.4</u>
Accruals and deferred income	49.7	46.2	25.7	19.5
	<u>141.8</u>	<u>88.9</u>	<u>53.2</u>	<u>45.9</u>
	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				
Other payables	—	—	—	0.2
Accruals and deferred income	—	—	5.7	2.7
	<u>—</u>	<u>—</u>	<u>5.7</u>	<u>2.9</u>

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 £m	As at 31 March 2020 £m	As at 31 March 2019 £m	As at 31 March 2018 £m
Current				
RCF loans	20.0	10.7	—	—
Bank overdraft	—	9.3	—	—
Facilities drawn	20.0	20.0	—	—
Bank loans (<i>including unamortised fees</i>)	—	—	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 (<i>including unamortised fees</i>)	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
<i>Split of above:</i>				
Current bank loans	—	—	3.2	4.1
Non-current bank loans	65.9	74.3	71.1	72.6
Total net bank loans (<i>including unamortised fees</i>)	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 (<i>including unamortised fees</i>)	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:

Year to 30 September	Repayment due (£m)		
	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 £m	Base rate	Margin %
Bank loan B	10.9	LIBOR	4.75
Bank loan B (<i>Hong Kong Dollar</i>)	11.7	HIBOR	4.75
Bank loan B (<i>Japanese Yen</i>)	11.4	LIBOR JPY	4.75
Bank loan C (<i>Euro</i>)	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 £m	As at 31 March 2020 £m	As at 31 March 2019 £m	As at 31 March 2018 £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:

		6 months ended 30 September 2020 £m	(Unaudited) 6 months ended 30 September 2019 £m	Year ended 31 March 2020 £m	Year ended 31 March 2019 £m	Year ended 31 March 2018 £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	<u>387.7</u>	<u>(6.7)</u>	<u>—</u>	<u>(0.3)</u>	<u>17.2</u>	<u>397.9</u>

	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	<u>392.0</u>	<u>(23.4)</u>	<u>(14.8)</u>	<u>2.4</u>	<u>31.5</u>	<u>387.7</u>

	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	<u>392.0</u>	<u>(21.0)</u>	<u>(14.8)</u>	<u>2.4</u>	<u>16.1</u>	<u>374.7</u>

	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	<u>422.2</u>	<u>(41.9)</u>	<u>(22.2)</u>	<u>0.9</u>	<u>33.0</u>	<u>392.0</u>

	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	<u>394.2</u>	<u>(4.0)</u>	<u>—</u>	<u>(1.6)</u>	<u>33.6</u>	<u>422.2</u>

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 £m	As at 31 March 2020 £m	As at 31 March 2019 £m	As at 31 March 2018 £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 \$m	As at 31 March 2020 \$m	As at 31 March 2019 \$m	As at 31 March 2018 \$m
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				
Cash Flow Hedges: Sell USD buy GBP				
Less than a year	27.3	39.0	35.8	22.0
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

<u>Allotted, called up and fully paid</u>	<u>A Ordinary shares of £0.001 each</u>	<u>B Ordinary shares of £0.001 each</u>	<u>C Ordinary shares of £1,500 each</u>	<u>Total</u>
	<u>No.</u>	<u>No.</u>	<u>No.</u>	<u>No.</u>
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

<u>Allotted, called up and fully paid</u>	<u>A Ordinary shares of £0.001 each</u>	<u>B Ordinary shares of £0.001 each</u>	<u>C Ordinary shares of £1,500 each</u>	<u>Total</u>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
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:

<u>Preference shares</u>	<u>A shares of £0.0001 each</u>	<u>B shares of £0.0001 each</u>	<u>Total</u>
	<u>No.</u>	<u>No.</u>	<u>No.</u>
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	<p>This reserve relates to shares held by an independently managed EBT and shares held by the Company as "treasury shares".</p> <p>The shares held by the EBT were held in order to satisfy share grants to certain key management personnel.</p> <p>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).</p>
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.à.r.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.à.r.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 year ended 31 March 2020 relate to the part year period to the end 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 £m	(Unaudited) As at 30 September 2019 £m	As at 31 March 2020 £m	As at 31 March 2019 £m	As at 31 March 2018 £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
	<u>100.3</u>	<u>100.4</u>	<u>100.5</u>	<u>99.8</u>	<u>102.3</u>
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
	<u>2.3</u>	<u>1.9</u>	<u>2.2</u>	<u>1.8</u>	<u>1.7</u>

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 £m	Year ended 31 March 2020 £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

	30 September 2020 Pre IFRS 16 adjustments	IFRS 16 Adjustments			30 September 2020 Post IFRS 16 adjustments
	£m	Operating lease costs reversal	ROU assets depreciation	Lease interest charged	£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					30 September 2020 Post 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	
	£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	(13.8)	—	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			30 September 2020 Post IFRS 16 adjustments
		Reversal of operating lease costs	ROU depreciation and lease interest	Lease repayments	
	£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 operations¹	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 £m	IFRS 16 Adjustments				31 March 2020 Post IFRS 16 adjustments £m
		Adoption of IFRS 16 £m	Acquisition of ROU assets and liabilities £m	Reversal of operating lease costs £m	ROU depreciation & Lease interest charged £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
	<u>297.3</u>	<u>80.6</u>	<u>19.3</u>	<u>—</u>	<u>(17.9)</u>	<u>379.3</u>
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
	<u>278.5</u>	<u>(1.5)</u>	<u>—</u>	<u>0.2</u>	<u>—</u>	<u>277.2</u>
Total assets	<u>575.8</u>	<u>79.1</u>	<u>19.3</u>	<u>0.2</u>	<u>(17.9)</u>	<u>656.5</u>
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	—	—	—	—	—	—
	<u>(114.9)</u>	<u>(8.8)</u>	<u>(5.2)</u>	<u>(1.0)</u>	<u>(0.8)</u>	<u>(130.7)</u>
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)
	<u>(388.7)</u>	<u>(70.3)</u>	<u>(14.1)</u>	<u>20.9</u>	<u>(3.1)</u>	<u>(455.3)</u>
Total liabilities	<u>(503.6)</u>	<u>(79.1)</u>	<u>(19.3)</u>	<u>19.9</u>	<u>(3.9)</u>	<u>(586.0)</u>
Net assets	<u>72.2</u>	<u>—</u>	<u>—</u>	<u>20.1</u>	<u>(21.8)</u>	<u>70.5</u>
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	<u>72.2</u>	<u>—</u>	<u>—</u>	<u>20.1</u>	<u>(21.8)</u>	<u>70.5</u>

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
Assets as per statement of financial position	£m	£m	£m
Trade and other receivables excluding prepayments	87.8	—	87.8
Derivative financial instruments	—	—	—
Cash and cash equivalents	151.0	—	151.0
	<u>238.8</u>	<u>—</u>	<u>238.8</u>
Liabilities as per statement of financial position	Receivables at amortised cost	Fair value through other comprehensive income	Total
	£m	£m	£m
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
	<u>598.8</u>	<u>0.2</u>	<u>599.0</u>

Financial instruments by category

31 March 2020			
	Receivables at amortised cost	Fair value through other comprehensive income	Total
Assets as per statement of financial position	£m	£m	£m
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
	<u>181.9</u>	<u>1.5</u>	<u>183.4</u>
Liabilities as per statement of financial position	Receivables at amortised cost	Fair value through other comprehensive income	Total
	£m	£m	£m
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
	<u>538.8</u>	<u>—</u>	<u>538.8</u>

Financial instruments by category

31 March 2019			
<u>Assets as per statement of financial position</u>	Receivables at	Fair value	Total
	amortised cost	through other	
	£m	comprehensive	£m
		income	
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
	<u>107.3</u>	<u>0.1</u>	<u>107.4</u>
<u>Liabilities as per statement of financial position</u>	Receivables at	Fair value	Total
	amortised cost	through other	
	£m	comprehensive	£m
		income	
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
	<u>419.5</u>		<u>419.5</u>

Financial instruments by category

31 March 2018			
<u>Assets as per statement of financial position</u>	Receivables at	Fair value	Total
	amortised cost	through other	
	£m	comprehensive	£m
		income	
Trade and other receivables excluding prepayments	36.7	—	36.7
Cash and cash equivalents	86.4	—	86.4
	<u>123.1</u>		<u>123.1</u>
<u>Liabilities as per statement of financial position</u>	Receivables at	Fair value	Total
	amortised cost	through other	
	£m	comprehensive	£m
		income	
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
	<u>448.8</u>	<u>0.1</u>	<u>448.9</u>

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
	£m	£m	£m	£m
Bank loans—Principle	—	—	67.8	—
—Interest	1.0	3.0	2.1	—
Total bank loans	1.0	3.0	69.9	—
RCF Loan	20.0	—	—	—
Redeemable preference shares*	—	—	—	330.1
Lease liability	4.6	14.9	49.6	19.7
Derivative financial instruments	—	0.2	—	—
Trade and other payables excluding nonfinancial liabilities	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
	£m	£m	£m	£m
Bank loans—Principle	—	—	74.8	—
—Interest	—	4.6	4.7	—
Total bank loans	—	4.6	79.5	—
RCF Loan	—	10.7	—	—
Bank overdraft	9.3	—	—	—
Redeemable preference shares*	—	—	—	312.9
Lease liability	5.5	16.3	48.8	17.8
Derivative financial instruments	—	—	—	—
Trade and other payables excluding nonfinancial liabilities	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
	£m	£m	£m	£m
Bank loans—Principle	0.8	2.4	72.4	—
—Interest	1.2	3.4	6.9	—
Total bank loans	2.0	5.8	79.3	—
Redeemable preference shares*	—	—	—	316.4
Derivative financial instruments	—	(0.1)	—	—
Trade and other payables excluding non-financial liabilities	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 rates remaining unchanged) 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
10% Appreciation 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 measurements 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	<u>—</u>	<u>—</u>	<u>—</u>	<u>(0.5)</u>	<u>0.4</u>

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	<u>82.4</u>	<u>82.1</u>	<u>73.2</u>	<u>75.1</u>	<u>72.1</u>

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	<u>73.3</u>	<u>71.2</u>	<u>60.5</u>	<u>65.5</u>	<u>60.9</u>

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	—	—	—	—	—
	<u>0.3</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
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
	<u>18.2</u>	<u>15.8</u>	<u>11.1</u>	<u>14.1</u>	<u>14.7</u>
Fixed interest bonds					
Unspecified	7.1	10.3	9.6	10.5	13.5
	<u>7.1</u>	<u>10.3</u>	<u>9.6</u>	<u>10.5</u>	<u>13.5</u>
Index linked gilts					
Domestic	35.9	35.9	35.1	32.8	23.2
Foreign	—	—	—	—	—
	<u>35.9</u>	<u>35.9</u>	<u>35.1</u>	<u>32.8</u>	<u>23.2</u>
Alternatives					
Unspecified	7.9	6.9	6.8	7.2	9.3
	<u>7.9</u>	<u>6.9</u>	<u>6.8</u>	<u>7.2</u>	<u>9.3</u>
Insured annuities					
Domestic	1.8	1.6	1.4	1.5	0.8
Foreign	—	—	—	—	—
	<u>1.8</u>	<u>1.6</u>	<u>1.4</u>	<u>1.5</u>	<u>0.8</u>
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)
	<u>(1.0)</u>	<u>0.8</u>	<u>(0.6)</u>	<u>(0.3)</u>	<u>3.1</u>
Defined contribution section assets					
Unspecified	12.2	10.8	9.8	9.3	7.5
	<u>12.2</u>	<u>10.8</u>	<u>9.8</u>	<u>9.3</u>	<u>7.5</u>
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.à.r.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. On 22 January 2021, Dr. Martens Limited re-registered as a public limited company and changed its name to Dr. Martens plc.

Conditional upon Admission, on 27 January 2021, the Group entered into the New Facilities Agreement, comprising a five year term loan of €337.5 million and a five year committed revolving credit facility of £200.0 million, to be used to refinance the Group's pre-existing bank debt, revolving credit facilities and redeemable preference shares.

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 12

Unaudited Pro Forma Financial Information

Section A—Accountants’ report on the Unaudited Pro Forma Financial Information

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

29 January 2021

Dear Sirs

We report on the pro forma financial information (the “Pro Forma Financial Information”) set out in section B of Part 12 of the prospectus dated 29 January 2021 of Dr. Martens plc (the “Company”), which has been prepared on the basis described in the notes to the Pro Forma Financial Information, for illustrative purposes only, to provide information about how the: (i) draw down of amounts under the new facilities agreement; (ii) repayment of the existing facilities; (iii) the reorganisation; and (iv) the expenses of the offer might have affected the financial information presented on the basis of the accounting policies adopted by the Company in preparing the historical financial information of Doc Topco Limited for the period ended 30 September 2020. This report is required by Section 3 of Annex 20 of the UK version of Commission Delegated Regulation (EU) 2019/980 and is given for the purpose of complying with that section and for no other purpose.

Save for any responsibility arising 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 prospectus.

Responsibilities

It is the responsibility of the directors of the Company to prepare the Pro Forma Financial Information in accordance with Sections 1 and 2 of Annex 20 of the UK version of Commission Delegated Regulation (EU) 2019/980.

It is our responsibility to form an opinion, as required by Section 3 of Annex 20 of the UK version of Commission Delegated Regulation (EU) 2019/980, as to the proper compilation of the Pro Forma Financial Information and to report that opinion to you.

In providing this opinion we are not updating or refreshing any reports or opinions previously made by us on any financial information used in the compilation of the Pro Forma Financial Information, nor do we accept responsibility for such reports or opinions beyond that owed to those to whom those reports or opinions were addressed by us at the dates of their issue.

Basis of opinion

We conducted our work in accordance with the Standards for Investment Reporting issued by the Auditing Practices Board in the United Kingdom. The work that we performed for the purpose of making this report, which involved no independent examination of any of the underlying financial information, consisted primarily of comparing the unadjusted financial information with the source documents, considering the evidence supporting the adjustments and discussing the Pro Forma Financial Information with the directors of the Company.

We planned and performed our work so as to obtain the information and explanations we considered necessary in order to provide us with reasonable assurance that the Pro Forma Financial Information has been properly compiled on the basis stated and that such basis is consistent with the accounting policies of the Company.

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 Pro Forma Financial Information has been properly compiled on the basis stated; and
- such basis is consistent with the accounting policies of the Company.

Declaration

For the purposes of Prospectus Regulation Rule 5.3.2R (2)(f) we are responsible for this report as part of the prospectus 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 prospectus 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—Unaudited Pro Forma Financial Information

The unaudited pro forma statement of net assets and accompanying notes (the “Pro Forma Financial Information”) set out in Section B of this Part 12 (*Unaudited Pro Forma Financial Information*) has been prepared to illustrate the effect of (i) draw down of amounts under the New Facilities Agreement; (ii) repayment of the Existing Facilities; (iii) the Reorganisation; and (iv) the expenses of the Offer, on Doc Topco Limited’s net assets as at 30 September as if these events had been undertaken at that date.

The unaudited Pro Forma Financial Information has been prepared on the basis set out in the notes below, in accordance with Sections 1 and 2 of Annex 20 of the UK version of Commission Delegated Regulation (EU) 2019/980, and in a manner consistent with the accounting policies adopted by the Group in preparing the Historical Financial Information of Doc Topco Limited for the year ended 31 March 2020. The unaudited Pro Forma Financial Information is based on the audited net assets of the Group as of 30 September 2020 as shown in Part 11 (*Historical Financial Information*).

The unaudited Pro Forma Information has been prepared for illustrative purposes only and, the hypothetical position shown may differ from the Group’s actual financial position or results.

In addition, the Pro Forma Financial Information does not purport to represent what the Group’s financial position actually would have been if the draw down of amounts under the New Facilities Agreement, repayment of the Existing Facilities, and the Reorganisation, and the expenses of the Offer, had been completed on the date indicated, nor does it purport to represent the financial condition of the Group at any future date.

The unaudited pro forma information does not constitute financial statements within the meaning of section 434 of the Companies Act. Investors should read the whole of this Prospectus and not rely solely on the pro forma financial information contained in this Part 12 (*Unaudited Pro Forma Financial Information*).

Ernst & Young LLP’s report on the Pro Forma Financial Information is set out in Section A of this Part 12 (*Unaudited Pro Forma Financial Information*).

Unaudited Pro Forma statement of net assets as of 30 September 2020

	Group net assets at 30 September 2020	Adjustments				Pro forma net assets at 30 September 2020
		Draw down under the New Facilities Agreement	Repayment of Existing Facilities	Reorganisation	Expenses of the Offer	
	£’m (note 1)	£’m (note 2)	£’m (note 3)	£’m (note 4)	£’m (note 5)	£’m (note 6)
Non-current assets						
Intangible assets	259.8	—	—	—	—	259.8
Property, plant and equipment	31.4	—	—	—	—	31.4
Right-of-use assets	79.6	—	—	—	—	79.6
Deferred tax assets	7.4	—	—	—	—	7.4
	<u>378.2</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>378.2</u>
Current assets						
Inventories	128.0	—	—	—	—	128.0
Trade and other receivables	92.8	—	—	—	(4.9)	87.9
Income tax assets	0.8	—	—	—	—	0.8
Restricted cash	4.2	—	—	—	(4.2)	—
Cash and cash equivalents	146.8	293.9	(87.8)	(330.1)	(21.3)	1.5
	<u>372.6</u>	<u>293.9</u>	<u>(87.8)</u>	<u>(330.1)</u>	<u>(30.4)</u>	<u>218.2</u>
Total assets	<u>750.8</u>	<u>293.9</u>	<u>(87.8)</u>	<u>(330.1)</u>	<u>(30.4)</u>	<u>596.4</u>
Current liabilities						
Trade and other payables	(141.8)	—	—	—	3.0	(138.8)
Borrowings						
—Bank	(20.0)	—	20.0	—	—	—
—Lease liabilities	(19.5)	—	—	—	—	(19.5)
Provisions	(0.8)	—	—	—	—	(0.8)

	Group net assets at 30 September 2020	Adjustments				Pro forma net assets at 30 September 2020
		Draw down under the New Facilities Agreement	Repayment of Existing Facilities	Reorganisation	Expenses of the Offer	
	£'m (note 1)	£'m (note 2)	£'m (note 3)	£'m (note 4)	£'m (note 5)	£'m (note 6)
Derivatives and financial liabilities	(0.2)	—	—	—	—	(0.2)
Income tax payable . . .	(1.2)	—	—	—	—	(1.2)
	(183.5)	—	20.0	—	3.0	(160.5)
Non-current liabilities						
Trade and other payables	—	—	—	—	—	—
Borrowings						
—Bank	(65.9)	(293.9)	65.9	—	—	(293.9)
—Redeemable preference shares	(330.1)	—	—	330.1	—	—
—Lease liabilities	(69.3)	—	—	—	—	(69.3)
Provisions	(1.6)	—	—	—	—	(1.6)
	(466.9)	(293.9)	65.9	330.1	—	(364.8)
Total liabilities	(650.4)	(293.9)	85.9	330.1	3.0	(525.3)
Net assets	100.4	—	(1.9)	—	(27.4)	71.1

Notes:

- (1) The net assets of Doc Topco Limited as at 30 September 2020 have been extracted without material adjustment from the historical financial information for the period ended 30 September 2020 set out in Section B of Part 11 (*Historical Financial Information*).
- (2) Under the refinancing, as described in paragraph 17.5 (*The Group's financing arrangements*) of Part 14 (*Additional Information*), on 27 January 2021, the Group entered into the New Facilities Agreement, comprising a term loan facility of €337.5 million (equivalent of £300.0 million calculated using a nominal €:£ exchange rate of 1.1250:1) and a revolving credit facility of £200.0 million. The adjustment to cash and cash equivalents as at 30 September 2020 represents a draw down of the term loan of £300.0 million, less transaction costs incurred of £6.1 million. The adjustment to non-current liabilities—borrowings—bank reflects the gross amount drawn down under the term loan, less transaction costs incurred which are capitalised and which will be amortised over the term of the New Facilities Agreement.
- (3) The adjustment to Cash and cash equivalents as at 30 September 2020 represents the repayment of the Existing Facilities principal of £87.8 million, of which £20.0 million was repaid in October 2020. The adjustments to current and non-current liabilities—borrowings—bank reflect the gross amount repayable under the terms of the Existing Facilities with the adjustment to non-current liabilities being net of £1.9 million of unamortised debt issue costs that arose historically in connection with the Existing Facilities and is recognised as an expense in the income statement upon repayment.
- (4) Under the Reorganisation as described in paragraph 3 (*Reorganisation*) of Part 14 (*Additional Information*) of this Prospectus, the outstanding redeemable preference shares will be redeemed for cash in accordance with the articles. As at 30 September 2020 the amount outstanding in respect of redeemable preference shares was £330.1 million.
- (5) This adjustment reflects the cash outflows as a consequence of the Offer being:
 - (i) distribution of restricted cash of £4.2 million and distribution of the proceeds of sale of Shares held by the Group's Employee Benefit Trust ("EBT") to the Group's employees, upon which payroll taxes are payable; and
 - (ii) estimated transaction costs of the Offer (including the maximum amount of any discretionary fees, and irrecoverable value added tax) and payroll taxes in respect of the distribution mentioned in note 5(i), above, totalling £26.2 million.

The adjustment to cash and cash equivalents comprises:

- (a) a cash outflow of £26.2 million, representing the total estimated expenses of the Offer expected to be incurred by the Group, of which £3.0 million had been accrued within trade and other payables as at 30 September 2020; and
- (b) a cash inflow of £4.9 million representing repayment of staff loans, which are recorded within trade and other receivables as at 30 September 2020.

No adjustment is shown for the sale of Shares as part of the Offer, because the Group will not receive any proceeds from the sale of Shares and underwriting commissions and stamp duty or stamp duty reserve tax expenses associated with the sale of Shares will be borne by the Selling Shareholders.

- (6) The Pro Forma Financial Information does not reflect any changes in the trading results or financial position of the Group since 30 September 2020.

Part 13

Details of the Offer

Background

The Company is a public limited company with the name Dr. Martens plc. Pursuant to the Offer, approximately 350,000,035 Existing Shares are expected to be sold by the Selling Shareholders. In addition, a further 52,500,005 Over-allotment Shares are being made available by the Principal Shareholder pursuant to the Over-allotment Option described below.

In the Offer, Shares will be offered (i) to certain institutional investors in the United Kingdom and elsewhere outside the United States and (ii) in the United States only to qualified institutional buyers in reliance on an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act.

Certain restrictions that apply to the distribution of this Prospectus and the Shares being sold under the Offer in jurisdictions outside the United Kingdom are described below.

When admitted to trading, the Shares will be registered with ISIN number GB00BL6NGV24 and SEDOL (Stock Exchange Daily Official List) number BL6NGV2 and trade under the symbol “DOCS”.

Immediately following Admission, it is expected that in excess of 25% of the Company’s issued ordinary share capital will be held in public hands (within the meaning of paragraph 6.14 of the Listing Rules).

Reasons for the Offer and use of proceeds

The Directors believe that the Offer and Admission will:

- support the Group’s growth plans;
- give the Company access to a wider range of capital-raising options which may be of use in the future;
- further improve the ability of the Group to recruit, retain and incentivise its key management and employees; and
- create a liquid market in the Shares for existing and future shareholders.

The sale of Existing Shares will provide the Selling Shareholders with an opportunity for a partial realisation of their investments in the Company.

Allocation

The rights attaching to the Shares will be uniform in all respects and they will form a single class for all purposes. The Shares allocated under the Offer have been underwritten, subject to certain conditions, by the Underwriters as described in paragraph 14 (*Underwriting arrangements*) of Part 14 (*Additional Information*). Allocations under the Offer will be determined at the discretion of the Joint Global Co-ordinators following consultation with the Company and the Principal Shareholder. All Shares sold pursuant to the Offer will be sold, payable in full, at the Offer Price. In addition, a senior adviser to Permira has irrevocably agreed to purchase £75,000 of Shares from the Principal Shareholder outside of the Offer at the Offer Price, conditional on Admission.

Dealing arrangements

The Offer is subject to the satisfaction of certain conditions contained in the Underwriting Agreement, which are customary for an agreement of this nature. Certain conditions are related to events which are outside the control of the Company, the Directors, the Selling Shareholders and the Underwriters. Further details of the Underwriting Agreement are described in paragraph 14.1 (*Underwriting Agreement*) of Part 14 (*Additional Information*).

It is expected that Admission will become effective, and that unconditional dealings in the Shares will commence on the London Stock Exchange at 8.00 a.m. (London time) on 3 February 2021. Settlement of dealings from that date will be on a two-day rolling basis. Prior to Admission, conditional dealings in the Shares are expected to commence on the London Stock Exchange on 29 January 2021. Dealings on the London Stock Exchange before Admission will only be settled if Admission takes place. The earliest date for settlement of such dealings will be 3 February 2021. **All dealings before the commencement of unconditional dealings will be of no effect if Admission does not take place and such dealings will be at the sole risk of the parties concerned. These dates and times may be changed without further notice.**

Each investor will be required to undertake to pay the Offer Price for the Shares sold to such investor in such manner as shall be directed by the Joint Global Co-ordinators.

It is expected that Shares allocated to investors in the Offer will be delivered in uncertificated form and settlement will take place through CREST on Admission. No temporary documents of title will be issued. Dealings in advance of crediting of the relevant CREST stock account shall be at the risk of the person concerned.

Cornerstone Investors

On 22 January 2021, the Company and the Principal Shareholder entered into agreements with each of BlackRock Investment Management (UK) Limited, as agent for funds and accounts under its management (the “BlackRock Funds”), Henderson Global Investors Limited (“Henderson”) and Merian Global Investors (UK) Limited and Jupiter Asset Management Limited, as agents for funds managed by Merian Global Investors and Jupiter Asset Management (“Merian - Jupiter”), pursuant to which the Blackrock Funds irrevocably agreed to purchase £250 million of Shares, Henderson irrevocably agreed to purchase £100 million of Shares and Merian - Jupiter irrevocably agreed to purchase £75 million of Shares, each in the Offer at the Offer Price.

The Principal Shareholder, on behalf of each of the Selling Shareholders, has agreed to procure such Shares to be delivered to each of the Blackrock Funds, Henderson and Jupiter - Merian (the “Cornerstone Investors”). The obligation of the Cornerstone Investors to purchase such Shares in the Offer is conditional upon Admission and certain other conditions being satisfied, and will terminate if such conditions have not been fulfilled or, in certain circumstances, waived by the relevant Cornerstone Investor, on or before 19 February 2021. The relevant agreements contain customary warranties from the Cornerstone Investors, the Company and the Principal Shareholder.

Over-allotment and stabilisation

In connection with the Offer, Goldman Sachs, as Stabilising Manager, or any of its agents, may (but will be under no obligation to), to the extent permitted by applicable law, over-allot Shares or effect other stabilising transactions with a view to supporting the market price of the Shares at a higher level than that which might otherwise prevail in the open market. The Stabilising Manager is not required to enter into such transactions and such transactions may be effected on any securities market, over-the-counter market, stock exchange or otherwise and may be undertaken at any time during the period commencing on the date of the commencement of conditional dealings in the Shares on the London Stock Exchange and ending no later than 30 calendar days thereafter. However, there will be no obligation on the Stabilising Manager or any of its agents to effect stabilising transactions and there is no assurance that stabilising transactions will be undertaken. Such stabilisation, if commenced, may be discontinued at any time without prior notice. In no event will measures be taken to stabilise the market price of the Shares above the Offer Price. Except as required by law or regulation, neither the Stabilising Manager nor any of its agents intends to disclose the extent of any over-allotments made and/or stabilising transactions conducted in relation to the Offer.

In connection with the Offer, the Stabilising Manager may, for stabilisation purposes, over-allot Shares up to a maximum of 52,500,005 Shares, being 15% of the total number of Shares comprised in the Offer. For the purposes of allowing the Stabilising Manager to cover short positions resulting from any such over-allotments and/or from sales of Shares effected by it during the stabilising period, the Principal Shareholder has granted to the Stabilising Manager the Over-allotment Option, pursuant to which the Stabilising Manager may purchase or procure purchasers for additional Shares at the Offer Price, which represents up to an additional 52,500,005 Shares, being 15% of the total number of Shares comprised in the Offer. The Over-allotment Option will be exercisable in whole or in part, upon notice by the Stabilising Manager, at any time on or before the 30th calendar day after the commencement of conditional dealings in the Shares on the London Stock Exchange. Any Over-allotment Shares made available pursuant to the Over-allotment Option will rank *pari passu* in all respects with the Shares, including for all dividends and other distributions declared, made or paid on the Shares, will be purchased on the same terms and conditions as the Shares being sold in the Offer and will form a single class for all purposes with the other Shares.

For a discussion of certain stock lending arrangements entered into in connection with the Over-allotment Option, see paragraph 14.2 (*Stock lending agreement*) of Part 14 (*Additional Information*).

CREST

CREST is a paperless settlement system allowing securities to be transferred from one person's CREST account to another's without the need to use share certificates or written instruments of transfer. With effect from Admission, the Articles will permit the holding of Shares in the CREST system.

Application has been made for the Shares to be admitted to CREST with effect from Admission. Accordingly, settlement of transactions in the Shares following Admission may take place within the CREST system if any shareholder so wishes. CREST is a voluntary system and holders of Shares who wish to receive and retain share certificates will be able to do so.

Underwriting arrangements

The Underwriters have entered into commitments under the Underwriting Agreement pursuant to which they have agreed, subject to certain conditions, to procure purchasers for the Existing Shares to be sold by the Selling Shareholders in the Offer, or, failing which, to themselves purchase such Existing Shares at the Offer Price. The Underwriting Agreement contains provisions entitling the Underwriters to terminate the Offer (and the arrangements associated with it) at any time prior to Admission in certain circumstances. If this right is exercised, the Offer and these arrangements will lapse and any moneys received in respect of the Offer will be returned to applicants without interest. The Underwriting Agreement provides for the Underwriters to be paid commissions in respect of the Existing Shares sold and any Over-allotment Shares sold following exercise of the Over-allotment Option. Any commissions received by the Underwriters may be retained, and any Shares acquired by them may be retained or dealt in, by them, for their own benefit.

The Underwriters and/or their respective affiliates may have from time to time been engaged, and may in the future engage, in commercial banking, investment banking, financial advisory, risk management, hedging or other financial services and other commercial dealings in the ordinary course of their business with the Company and/or the Principal Shareholder (or any parties related to the Company or the Principal Shareholder) for which they have received or may in the future receive customary compensation, fees and/or commissions. Certain of the Underwriters may also provide risk management products to the Principal Shareholder (or any parties related to the Principal Shareholder) in connection with the Offer for which any such Underwriter could earn a profit, contingent on the closing of the Offer (and such profit may potentially be significantly in excess of the fees earned by any such Underwriter for its services acting as Joint Global Co-ordinator and Joint Bookrunner in connection with the Offer).

The Underwriters or their related parties, or the Financial Adviser or its related parties, may acquire financial instruments issued by the Selling Shareholders, the Company, their related parties or financial instruments related to the financial instruments issued by any of the above entities. In connection with the Offer, each of the Underwriters or their affiliates, or the Financial Adviser or its affiliates, may also, acting as an investor for its own account, purchase the Shares in the Offer, and then either hold them or sell them, or otherwise dispose of them. In addition, certain of the Underwriters or their affiliates may enter into financing arrangements (including swaps) with investors. None of the Underwriters, nor the Financial Adviser, intend to disclose the extent of any such investment or transactions other than in accordance with any legal or regulatory obligations to do so.

As a result of acting in the capacities described above, the Underwriters may have interests aligned, or which could potentially conflict, with investors' and or the Company's and/or certain of the Selling Shareholders' interests.

Further details of the terms of the Underwriting Agreement are set out in paragraph 14.1 (*Underwriting Agreement*) of Part 14 (*Additional Information*). Certain selling and transfer restrictions are set out below.

Lock-up arrangements

Pursuant to the Underwriting Agreement, the Company has agreed that, subject to certain exceptions, during the period of 180 days from the date of Admission, it will not, without the prior written consent of the Joint Global Co-ordinators, issue, offer, sell or contract to sell, or otherwise dispose of, directly or indirectly, or announce an offer of any Shares (or any interest therein or in respect thereof) or enter into any transaction with the same economic effect as any of the foregoing.

Pursuant to the Underwriting Agreement, the Principal Shareholder and the Directors have agreed that, subject to certain exceptions, during the period of 180 days in respect of the Principal Shareholder and 365 days in respect of the Directors, in each case from the date of Admission, they will not, without the prior written consent of the Joint Global Co-ordinators, offer, sell or contract to sell, or otherwise dispose of, directly or indirectly, or announce an offer of any Shares (or any interest therein in respect thereof) or enter into any transaction with the same economic effect as any of the foregoing.

Pursuant to the Deeds of Election, the Minority Shareholders, whether or not they have elected to make available for sale in the Offer any Shares, have agreed that, subject to certain exceptions, during a period of 365 days in respect of Senior Managers, other senior employees of the Group and two former senior executives, and 180 days in respect of all other Minority Shareholders, in each case from the date of Admission, they will not, without the prior written consent of the Joint Global Co-ordinators, offer, sell or contract to sell, or otherwise transfer or dispose of, directly or indirectly, or announce an offer of any Shares (or any interest therein or in respect thereof) or enter into any transaction with the same economic effect as any of the foregoing.

Selling restrictions

The distribution of this Prospectus and the offer of Shares in certain jurisdictions may be restricted by law and therefore persons into whose possession this Prospectus comes should inform themselves about and observe any restrictions, including those set out in the paragraphs that follow. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

Shares will be offered: (i) to certain institutional investors in the United Kingdom and elsewhere outside the US in offshore transactions in reliance on Regulation S, and (ii) in the US only to persons reasonably believed to be QIBs as defined in, and in reliance on, Rule 144A or another exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act.

No action has been or will be taken in any jurisdiction that would permit a public offering of the Shares, or possession or distribution of this Prospectus or any other offering material in any country or jurisdiction where action for that purpose is required. Accordingly, the Shares may not be offered or sold, directly or indirectly, and neither this Prospectus nor any other offering material or advertisement in connection with the Shares may be distributed or published in or from any country or jurisdiction except in circumstances that will result in compliance with any and all applicable rules and regulations of any such country or jurisdiction. Persons into whose possession this Prospectus comes should inform themselves about and observe any restrictions on the distribution of this Prospectus and the offer of Shares contained in this Prospectus. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction. This Prospectus does not constitute an offer to subscribe for or purchase any of the Shares to any person in any jurisdiction to whom it is unlawful to make such offer of solicitation in such jurisdiction.

European Economic Area

In relation to each Member State of the European Economic Area (each, a “Relevant State”), no Shares have been or will be offered pursuant to the Offer to the public in that Relevant State prior to the publication of a prospectus in relation to the Shares which has been approved by the competent authority in that Relevant State, all in accordance with the Prospectus Regulation, except that the Shares may be offered to the public in that Relevant State at any time:

- a) to any legal entity which is a qualified investor as defined under Article 2(e) of the Prospectus Regulation;
- b) to fewer than 150 natural or legal persons (other than qualified investors as defined under Article 2 of the Prospectus Regulation), subject to obtaining the prior consent of the Joint Global Co-ordinators for any such offer; or
- c) in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

provided that no such offer of Shares shall result in a requirement for the Company, the Selling Shareholders or the Underwriters to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation.

For the purposes of this provision, the expression “an offer of Shares to the public” in relation to any Shares in any Relevant State means the communication in any form and by any means of sufficient information on the terms of the Offer and any Shares to be offered so as to enable an investor to decide to purchase or subscribe for the Shares, and, within this Part 13 (*Details of the Offer—Selling restrictions—European Economic Area*), the expression “Prospectus Regulation” means Regulation (EU) 2017/1129.

United Kingdom

No Shares have been or will be offered pursuant to the Offer to the public in the United Kingdom prior to the publication of a prospectus in relation to the Shares which has been approved by the Financial Conduct Authority, except that the Shares may be offered to the public in the United Kingdom at any time:

- a) to any legal entity which is a qualified investor as defined under Article 2(e) of the UK Prospectus Regulation;
- b) to fewer than 150 natural or legal persons (other than qualified investors as defined under Article 2 of the UK Prospectus Regulation), subject to obtaining the prior consent of the Joint Global Co-ordinators for any such offer; or
- c) in any other circumstances falling within Section 86 of the FSMA,

provided that no such offer of Shares shall require the Company, the Selling Shareholders or the Underwriters to publish a prospectus pursuant to Section 85 of the FSMA or supplement a prospectus pursuant to Article 23 of the UK Prospectus Regulation.

For the purposes of this provision, the expression “an offer of Shares to the public” in relation to any Shares in the United Kingdom means the communication in any form and by any means of sufficient information on the terms of the Offer and any Shares to be offered so as to enable an investor to decide to purchase or subscribe for the Shares, and, within this Part 13 (*Details of the Offer—Selling restrictions—United Kingdom*), the expression “UK Prospectus Regulation” means Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018.

United States

The Shares have not been and will not be registered under the US Securities Act or under any applicable securities laws or regulations of any state of the United States and, subject to certain exceptions, may not be offered, sold, pledged or otherwise transferred in the United States except to persons reasonably believed to be QIBs, as defined in, and in reliance on Rule 144A or another exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act. The Shares are being offered and sold outside the United States in offshore transactions in reliance on Regulation S.

In addition, until 40 days after the commencement of the Offer of the Shares an offer or sale of Shares within the United States by any dealer (whether or not participating in the Offer) may violate the registration requirements of the US Securities Act if such offer or sale is made otherwise than in accordance with Rule 144A or another exemption from, or transaction not subject to, the registration requirements of the US Securities Act.

The Underwriting Agreement provides that the Underwriters may directly or through their respective United States broker-dealer affiliates arrange for the offer and resale of Shares within the United States only to QIBs in reliance on Rule 144A or another exemption from, or transaction not subject to, the registration requirements of the US Securities Act.

Each acquirer of Shares within the United States, by accepting delivery of this Prospectus, will be deemed to have represented, agreed and acknowledged that it has received a copy of this Prospectus and such other information as it deems necessary to make an investment decision and that:

- (a) it is (a) a QIB within the meaning of Rule 144A, (b) acquiring the Shares for its own account or for the account of one or more QIBs with respect to whom it has the authority to make, and does make, the representations and warranties set forth herein, (c) acquiring the Shares for investment purposes, and not with a view to further distribution of such Shares, and (d) aware, and each beneficial owner of the Shares has been advised, that the sale of the Shares to it is being made in reliance on Rule 144A or in reliance on another exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act.
- (b) it understands that the Shares are being offered and sold in the United States only in a transaction not involving any public offering within the meaning of the US Securities Act and that the Shares have not been and will not be registered under the US Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States and may not be offered, sold, pledged or otherwise transferred except (a) to a person that it and any person acting on its behalf reasonably believe is a QIB purchasing for its own account or for the account of a QIB in a transaction meeting the requirements of Rule 144A, or another exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act, (b) in an offshore transaction in accordance with Rule 903 or Rule 904 of

Regulation S, (c) pursuant to an exemption from registration under the US Securities Act provided by Rule 144 thereunder (if available) or (d) pursuant to an effective registration statement under the US Securities Act, in each case in accordance with any applicable securities laws of any state of the United States. It further (a) understands that the Shares may not be deposited into any unrestricted depositary receipt facility in respect of the Shares established or maintained by a depositary bank, (b) acknowledges that the Shares (whether in physical certificated form or in uncertificated form held in CREST) are “restricted securities” within the meaning of Rule 144(a)(3) under the US Securities Act and that no representation is made as to the availability of the exemption provided by Rule 144 for resales of the Shares and (c) understands that the Company may not recognise any offer, sale, resale, pledge or other transfer of the Shares made other than in compliance with the above-stated restrictions.

- (c) it understands that the Shares (to the extent they are in certificated form), unless otherwise determined by the Company in accordance with applicable law, will bear a legend substantially to the following effect:

THE SHARES REPRESENTED HEREBY 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 OR OTHER JURISDICTION OF THE UNITED STATES AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT (1) TO A PERSON THAT THE SELLER AND ANY PERSON ACTING ON ITS BEHALF REASONABLY BELIEVE IS A QUALIFIED INSTITUTIONAL BUYER, AS DEFINED IN, AND IN RELIANCE ON, THE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE US SECURITIES ACT PROVIDED IN RULE 144A UNDER THE US SECURITIES ACT PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER, (2) IN AN OFFSHORE TRANSACTION IN ACCORDANCE WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE US SECURITIES ACT, (3) PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE US SECURITIES ACT PROVIDED BY RULE 144 THEREUNDER (IF AVAILABLE) OR (4) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE US SECURITIES ACT, IN EACH CASE IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES. NO REPRESENTATION CAN BE MADE AS TO THE AVAILABILITY OF THE EXEMPTION PROVIDED BY RULE 144 UNDER THE US SECURITIES ACT FOR REALES OF THE ORDINARY SHARES. NOTWITHSTANDING ANYTHING TO THE CONTRARY IN THE FOREGOING, THE SHARES REPRESENTED HEREBY MAY NOT BE DEPOSITED INTO ANY UNRESTRICTED DEPOSITARY RECEIPT FACILITY IN RESPECT OF THE SHARES ESTABLISHED OR MAINTAINED BY A DEPOSITARY BANK. EACH HOLDER, BY ITS ACCEPTANCE OF SHARES, REPRESENTS THAT IT UNDERSTANDS AND AGREES TO THE FOREGOING RESTRICTIONS; and

- (d) it represents that if, in the future, it offers, resells, pledges or otherwise transfers such Shares while they remain “restricted securities” within the meaning of Rule 144, it shall notify such subsequent transferee of the restrictions set out above.

The Company, the Underwriters and their affiliates and others will rely on the truth and accuracy of the foregoing acknowledgements, representations and agreements.

Australia

This Prospectus (a) does not constitute a prospectus or a product disclosure statement under the Corporations Act 2001 of the Commonwealth of Australia (“Corporations Act”); (b) does not purport to include the information required of a prospectus under Part 6D.2 of the Corporations Act or a product disclosure statement under Part 7.9 of the Corporations Act; has not been, nor will it be, lodged as a disclosure document with the Australian Securities and Investments Commission (“ASIC”), the Australian Securities Exchange operated by ASX Limited or any other regulatory body or agency in Australia; and (c) may not be provided in Australia other than to select investors (“Exempt Investors”) who are able to demonstrate that they (i) fall within one or more of the categories of investors under section 708 of the Corporations Act to whom an offer may be made without disclosure under Part 6D.2 of the Corporations Act and (ii) are “wholesale clients” for the purpose of section 761G of the Corporations Act.

The Shares may not be directly or indirectly offered for subscription or purchased or sold, and no invitations to subscribe for, or buy, the Shares may be issued, and no draft or definitive offering memorandum, advertisement or other offering material relating to any Shares may be distributed, received or published in Australia, except where disclosure to investors is not required under Chapters 6D and 7 of the Corporations Act or is otherwise in compliance with all applicable Australian laws and regulations. By submitting an application for the Shares,

each purchaser or subscriber of Shares represents and warrants to the Company, the Selling Shareholders, the Underwriters and their affiliates that such purchaser or subscriber is an Exempt Investor.

As any offer of Shares under this Prospectus, any supplement or the accompanying prospectus or other document will be made without disclosure in Australia under Parts 6D.2 and 7.9 of the Corporations Act, the offer of those Shares for resale in Australia within 12 months may, under the Corporations Act, require disclosure to investors if none of the exemptions in the Corporations Act applies to that resale. By applying for the Shares each purchaser or subscriber of Shares undertakes to the Company, the Selling Shareholders, the Underwriters that such purchaser or subscriber will not, for a period of 12 months from the date of issue or purchase of the Shares, offer, transfer, assign or otherwise alienate those Shares to investors in Australia except in circumstances where disclosure to investors is not required under the Corporations Act or where a compliant disclosure document is prepared and lodged with ASIC.

Canada (British Columbia, Alberta, Manitoba, Ontario and Quebec only)

The Shares may be sold only to purchasers purchasing, or deemed to be purchasing, as principal that are accredited investors, as defined in National Instrument 45-106 Prospectus Exemptions or subsection 73.3(1) of the Securities Act (Ontario), and are permitted clients, as defined in National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations. Any resale of the Shares must be made in accordance with an exemption from, or in a transaction not subject to, the prospectus requirements of applicable securities laws.

Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if this Prospectus (including any amendment thereto) contains a misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limits prescribed under, and subject to limitations and defences under, the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for particulars of these rights or consult with a legal adviser.

Pursuant to section 3A.3 of National Instrument 33-105 Underwriting Conflicts (NI 33-105), the Underwriters are not required to comply with the disclosure requirements of NI 33-105 regarding underwriter conflicts of interest in connection with this offering.

Upon receipt of this Prospectus, each Canadian investor hereby confirms that it has expressly requested that all documents evidencing or relating in any way to the sale of the notes (including for greater certainty any purchase confirmation or any notice) be drawn up in the English language only. *Par la réception de ce prospectus, chaque investisseur canadien confirme par les présentes qu'il a expressément exigé que tous les documents faisant foi ou se rapportant de quelque manière que ce soit à la vente des valeurs mobilières décrites aux présentes (incluant, pour plus de certitude, toute confirmation d'achat ou tout avis) soient rédigés en anglais seulement.*

Switzerland

The offering of the Shares in Switzerland is exempt from requirement to prepare and publish a prospectus under the Swiss Financial Services Act ("FinSA") because the Shares are offered to less than 500 investors and the Shares will not be admitted to trading on any trading venue (exchange or multilateral trading facility) in Switzerland. This Prospectus does not constitute a prospectus or a similar document pursuant to FinSA, and no such prospectus has been or will be prepared for or in connection with the offering of the Shares.

DIFC

This prospectus relates to an Exempt Offer in accordance with the Offered Securities Rules of the Dubai Financial Services Authority ("DFSA"). This prospectus is intended for distribution only to persons of a type specified in the Offered Securities Rules of the DFSA. It must not be delivered to, or relied on by, any other person. The DFSA has no responsibility for reviewing or verifying any documents in connection with Exempt Offers. The DFSA has not approved this prospectus nor taken steps to verify the information set forth herein and has no responsibility for the prospectus. The Shares to which this prospectus relates may be illiquid and/or subject to restrictions on their resale. Prospective purchasers of the Shares offered should conduct their own due diligence on the Shares. If you do not understand the contents of this prospectus you should consult an authorized financial advisor.

Japan

The Shares have not been, and will not be, registered under the Financial Instruments and Exchange Law of Japan (Law No. 25 of 1948 as amended, the “FIEL”) and disclosure under the FIEL has not been, and will not be, made with respect to the Shares. Neither the Shares nor any interest therein may be offered, sold, resold, or otherwise transferred, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEL and all other applicable laws, regulations and guidelines promulgated by the relevant Japanese governmental and regulatory authorities. As used in this paragraph, a resident of Japan is any person that is resident in Japan, including any corporation or other entity organised under the laws of Japan.

Part 14

Additional Information

1. Responsibility

- 1.1 The Directors (whose names and principal functions are set out in Part 7 (*Directors, Senior Managers and Corporate Governance*)) and the Company accept responsibility for the information contained in this Prospectus. To the best of the knowledge of the Directors and the Company, the information contained in this Prospectus is in accordance with the facts and this Prospectus makes no omission likely to affect their import.

2. Incorporation and share capital

- 2.1 The Company is a public limited company with registered number 12960219, incorporated in England and Wales on 19 October 2020 as Ampholdco Limited, a private company limited by shares in the United Kingdom, renamed Dr. Martens Limited on 22 December 2020 and re-registered as a public company limited by shares and renamed Dr. Martens plc on 22 January 2021 with its registered office situated in England and Wales. The Company operates under the Companies Act 2006.
- 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 Prospectus.
- 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).

On 28 January 2021, the Company redeemed all A preference shares and all B preference shares, reorganised its ordinary share capital to form one class of ordinary shares and split its ordinary shares to increase the total number of shares, resulting in a share capital of £10,000,001 divided into 1,000,000,100 ordinary shares of one pence each (all of which were issued or credited as fully paid).

No further shares have been issued by the Company since 28 January 2021.

- 2.5 By members' written resolutions passed on 14 December 2020, it was resolved:
- 2.5.1 that the Company adopt a new set of interim articles of association;
- 2.5.2 that 140 ordinary shares of nominal value £1 each in the issued share capital of the Company be consolidated into 1 ordinary share of nominal value £140; and
- 2.5.3 following the consolidation of the ordinary shares, that 1 ordinary share of nominal value £140 be redesignated as 1 B ordinary share of nominal value £140.
- 2.6 By members' written resolutions passed on 14 December 2020, it was resolved that the Company reduce its issued share capital from £1,737,139,147.21 to £10,001,658.98 by:
- 2.6.1 cancelling all of the C ordinary shares of £1,500 each in the Company; and
- 2.6.2 reducing the nominal value of each:
- 2.6.2.1 A ordinary share from £140 to £1;
- 2.6.2.2 B ordinary share from £140 to £1;
- 2.6.2.3 A preference share from £1.496801 to £0.00001;
- 2.6.2.4 B preference share from £2.190930 to £0.00001.
- 2.7 By members' written resolutions passed on 8 January 2021, it was resolved:
- 2.7.1 that the Company be re-registered as a public limited company by the name of 'Dr. Martens plc'; and
- 2.7.2 that, subject to re-registration of the Company as a public limited company, the Company adopt new articles of association.
- 2.8 By resolutions passed at a general meeting of the Company on 28 January 2021, it was resolved:
- 2.8.1 that each A ordinary share of nominal value £1.00 and B ordinary share of nominal value £1.00 in the issued share capital of the Company be redesignated as an ordinary share of nominal value £1.00;
- 2.8.2 following the redesignation of the A ordinary shares and B ordinary shares, that each ordinary share of nominal value £1.00 be subdivided into 100 ordinary shares of nominal value £0.01 each;
- 2.8.3 that the Board is authorised for the purposes of section 551 of the Act, without prejudice to the continuing authority of the Board to allot Shares or grant rights to subscribe for or convert any security into Shares pursuant to an offer or agreement by the Company before the expiry of the authority under which such offer or agreement was made to allot Shares and to grant rights to subscribe for or to convert any security into shares in the Company, for a period expiring (unless previously renewed, varied or revoked by the Company in general meeting) at the end of the next annual general meeting of the Company (or, if earlier, at the close of business on the date falling 15 months after the resolution conferring it is passed):
- 2.8.3.1 up to an aggregate nominal amount of £3,333,333, which is equal to one third of the aggregate nominal value of the share capital of the Company on the day following Admission; and
- 2.8.3.2 in connection with an offer by way of a rights issue only to holders of Shares in proportion (as nearly as practicable) to their existing holdings and to people who are holders of other equity securities if this is required by the rights of those equity securities, or if the Directors of the Company consider it necessary, as permitted by the rights of those equity securities, up to an aggregate nominal amount of £6,666,666, which is equal to two thirds of the aggregate nominal value of the share capital of the Company on the day following Admission (including within such limit any shares or rights issued under paragraph 2.8.3.1 above);
- but in each case subject to such exclusions or other arrangements as the Board deems necessary or appropriate to deal with treasury shares, fractional entitlements, record dates, legal, regulatory or practical problems in, or under the laws of, any territory or any other matter;
- 2.8.4 that the Board is authorised pursuant to sections 570 and 573 of the Act, in substitution for any prior authority conferred upon the Board, for a period expiring (unless previously renewed, varied or revoked by the Company in general meeting) at the end of the next annual general meeting of the Company (or, if earlier, at the close of business on the date falling 15 months after the date of the general meeting at which the resolution was passed), but without prejudice to any allotments made

- pursuant to the terms of such authorities, to allot equity securities (as defined in the Act) for cash pursuant to the resolution described in paragraph 2.8.3 above, as if section 561(1) of the Act did not apply to such allotment, such power being limited to:
- 2.8.4.1 the allotment of equity securities in connection with an offer of equity securities to holders of Shares in proportion (or as nearly as may be practicable) to their existing holdings and to people who are holders of other equity securities if this is required by the rights of those securities, but in each case subject to such exclusions or other arrangements as the Board deems necessary or appropriate to deal with treasury shares, fractional entitlements, record dates, legal, regulatory or practical problems in, or under the laws of, any territory or any other matter; and
 - 2.8.4.2 the allotment of equity securities for cash (other than as described at paragraph 2.8.4.1 above) up to an aggregate nominal value of 5% of the issued share capital of the Company immediately following Admission;
- 2.8.5 that, in addition to any authority granted pursuant to the resolution described at paragraph 2.8.4 above, the Board is further authorised pursuant to section 570 and section 573 of the Act, for a period expiring (unless previously renewed, varied or revoked by the Company in general meeting) at the end of the next annual general meeting of the Company (or, if earlier, at the close of business on the date falling 15 months after the date of the general meeting at which the resolution was passed), to allot equity securities (within the meaning of section 560(1) of the Act) for cash pursuant to the resolution described in paragraph 2.8.3 above as if section 561 of the Act did not apply to such allotment, such power being:
- 2.8.5.1 limited to the allotment of equity securities for cash up to an aggregate nominal value of 5% of the issued share capital of the Company immediately following Admission; and
 - 2.8.5.2 used only for the purposes of financing (or refinancing, if the authority is to be used within six months after the original transaction) a transaction which the Board determines to be an acquisition or other capital investment of a kind contemplated by the Statement of Principles on Disapplying Pre-Emption Rights most recently published by the Pre-Emption Group prior to the date of the notice in respect of such resolution;
- 2.8.6 that the Company will be generally and unconditionally authorised to make market purchases (within the meaning of section 693(4) of the Act) of Shares each subject to the following conditions:
- 2.8.6.1 the maximum aggregate number of Shares will represent 10% of the Company's issued ordinary share capital on the day following Admission;
 - 2.8.6.2 the minimum price (excluding expenses) which may be paid for each Share is the nominal value of that Share;
 - 2.8.6.3 the maximum price (excluding expenses) which may be paid for each Share is the higher of: (i) 105% of the average of the middle market quotations for the Shares as derived from the London Stock Exchange Daily Official List for the five business days immediately preceding the day on which the share is contracted to be purchased; and (ii) an amount equal to the higher of the price of the last independent trade of a Share and the highest current independent bid for a Share on the trading venue where the purchase is carried out;
 - 2.8.6.4 the authority shall expire on the date falling 18 months after the resolution conferring it is passed or, if earlier, at the end of the next annual general meeting of the Company; and
 - 2.8.6.5 the Company may enter into a contract to purchase Shares under this authority before the expiry of the authority which will or may be executed wholly or partly after the expiry of such authority;
- 2.8.7 that the Company will be authorised in accordance with the Articles, until the Company's next annual general meeting, to call general meetings on 14 clear days' notice;
- 2.8.8 that the Company adopts the Articles, a summary of which is included at paragraph 4 (*Articles of Association*) of this Part 14 (*Additional Information*); and

2.8.8 that the Company and any company which is a subsidiary of the Company at the time this resolution is passed or becomes a subsidiary of the Company at any time during the period for which this resolution has effect be generally authorised, in aggregate, to:

2.8.8.1 make political donations to political parties and/or independent election candidates not exceeding £100,000 in total;

2.8.8.2 make political donations to political organisations other than political parties not exceeding £100,000 in total; and

2.8.8.3 incur political expenditure not exceeding £100,000 in total.

For the purposes of this authority the terms “political donation”, “political parties”, “independent election candidates”, “political organisation” and “political expenditure” have the meanings given by sections 363 to 365 of the Act.

The Company notes that it is not its policy to make political donations and that it has no intention of using the authority for that purpose.

2.9 Save as disclosed above and in paragraphs 12 (*Employee share plans*) and 14 (*Underwriting arrangements*) below:

2.9.1 no share or loan capital of the Company has, within three years of the date of this Prospectus, 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;

2.9.2 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

2.9.3 no share or loan capital of the Company is under option or has been agreed conditionally or unconditionally to be put under option.

2.10 The Company will be subject to the continuing obligations of the FCA with regard to the issue of shares for cash. The provisions of section 561(1) of the Act (which confer on shareholders rights of pre-emption in respect of the allotment of equity securities which are, or are to be, paid up in cash other than by way of allotment to employees under an employees’ share scheme as defined in section 1166 of the Act) apply to the issue of shares in the capital of the Company except to the extent such provisions are disapplied as referred to in paragraphs 2.8.4 and 2.8.5 above.

2.11 As at the date of this Prospectus, the issued share capital of the Company is £10,000,001, comprising 1,000,000,100 Shares of one pence each (all of which are fully paid or credited as fully paid). Immediately following Admission, the issued share capital of the Company is expected to be £10,000,001 comprising 1,000,000,100 Shares of one pence each (all of which will be fully paid or credited as fully paid).

2.12 The Shares are in registered form and, subject to the provisions of the CREST Regulations, the Directors may permit the holding of Shares of any class in uncertificated form and title to such shares may be transferred by means of a relevant system (as defined in the CREST Regulations). Where Shares are held in certificated form, share certificates will be sent to the registered members by first class post. Where Shares are held in CREST, the relevant CREST stock account of the registered members will be credited.

3. Reorganisation

3.1 In connection with Admission, the Group has undertaken certain steps as part of a reorganisation of its corporate structure, will undertake certain further steps in the period prior to Admission and will undertake certain further steps upon and following Admission (the “Reorganisation”).

3.2 *Pre-Admission steps under the Reorganisation*

3.2.1 The Reorganisation Deed was executed on 11 December 2020, pursuant to which the Company became the holding company of the Group in accordance with the steps outlined below. While the Company is not expecting any fractional entitlements to arise on the Reorganisation, the parties to the Reorganisation Deed have agreed that any fractional entitlements to the Shares in the Company as a result of the Reorganisation will be donated to the Dr. Martens Foundation without any requirement to account to the relevant Shareholder(s) for the proceeds of any such donation.

- 3.2.2 On 10 December 2020 and 11 December 2020, Ampdebtco Limited acquired the beneficial title and the legal title, respectively, to 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.
- 3.2.3 On 14 December 2020:
- 3.2.3.1 the existing incorporation ordinary share of the Company held by the Principal Shareholder was reorganised into a B ordinary share;
- 3.2.3.2 the Company adopted a new set of interim articles of association; and
- 3.2.3.3 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.
- 3.2.4 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.
- 3.2.5 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 Admission.
- 3.2.6 On 22 December 2020, the Company changed its name to ‘Dr. Martens Limited’.
- 3.2.7 On 24 December 2020, Doc Topco Limited undertook a reduction in capital by way of directors’ solvency statement.
- 3.2.8 On 22 January 2021, the Company re-registered as a public limited company and, as a consequence of the re-registration, its name changed to ‘Dr. Martens plc’.
- 3.2.9 On 28 January 2021:
- 3.2.9.1 the Company redeemed all preference shares in issue in the capital of the Company, with the cash proceeds of such redemption to be paid shortly after Admission;
- 3.2.9.2 the Company reorganised its ordinary share capital to form one class of ordinary shares and split its existing ordinary shares to increase the total number of shares;
- 3.2.9.3 Airwair International Limited and Dr. Martens Airwair Group Limited declared interim cash dividends (to be paid prior to Admission); and
- 3.2.9.4 Doc Topco Limited, Doc Debtco Limited and Ampdebtco Limited declared interim cash dividends conditional upon Admission and refinancing.
- 3.3 ***Steps upon Admission under the Reorganisation***
- 3.3.1 Immediately following Admission and upon drawdown of external debt by Ampdebtco Limited:
- 3.3.1.1 Ampdebtco Limited will provide an intercompany loan to Doc Bidco Limited and pay a cash dividend to Doc Debtco Limited;
- 3.3.1.2 Doc Bidco Limited will repay existing external debt and an outstanding intercompany loan to Doc Midco Limited;
- 3.3.1.3 Doc Midco Limited will repay an outstanding intercompany loan to Doc Debtco Limited;
- 3.3.1.4 Doc Debtco Limited will pay a cash dividend to Doc Topco Limited and repay an outstanding intercompany loan to Doc Topco Limited;

3.3.1.5 Doc Topco Limited will redeem the preference shares held in its capital by the Company and pay a cash dividend to the Company; and

3.3.1.6 the Company will settle amounts owed to existing Shareholders in respect of the redemption of the preference shares and the cancellation of the C Ordinary Shares.

4. Articles of Association

The Articles of Association of the Company (the “Articles”), which have been adopted with effect from Admission, include provisions to the following effect:

4.1 *Share rights*

Subject to the provisions of the Act, and without prejudice to any rights attached to any existing shares or class of shares: (i) any share may be issued with such rights or restrictions as the Company may by ordinary resolution determine or, subject to and in default of such determination, as the Board shall determine; and (ii) shares may be issued which are to be redeemed or are liable to be redeemed at the option of the Company or the holder and the Board may determine the terms, conditions and manner of redemption of such shares provided that it does so prior to the allotment of those shares.

4.2 *Voting rights*

Subject to any rights or restrictions attached to any shares, on a show of hands every member who is present in person or by proxy shall have one vote and on a poll every member present in person or by proxy shall have one vote for every share of which he or she is the holder.

No member shall be entitled to vote at any general meeting in respect of a share unless all moneys presently payable by him or her in respect of that share have been paid.

If at any time the Board is satisfied that any member, or any other person appearing to be interested in shares held by such member, has been duly served with a notice under section 793 of the Act and is in default for the prescribed period in supplying to the Company the information thereby required, or, in purported compliance with such a notice, has made a statement which is false or inadequate in a material particular, then the Board may, in its absolute discretion at any time thereafter by notice to such member direct that, in respect of the shares in relation to which the default occurred, the member shall not be entitled to attend or vote either personally or by proxy at a general meeting or at a separate meeting of the holders of that class of shares or on a poll.

4.3 *Dividends and other distributions*

Subject to the provisions of the Act, the Company may by ordinary resolution declare dividends in accordance with the respective rights of the members, but no dividend shall exceed the amount recommended by the Board. Except as otherwise provided by the rights and restrictions attached to shares, all dividends shall be declared and paid according to the amounts paid up on the shares on which the dividend is paid, but no amount paid on a share in advance of the date on which a call is payable shall be treated for these purposes as paid on the share.

Subject to the provisions of the Act, the Board may pay interim dividends if it appears to the Board that they are justified by the profits of the Company available for distribution.

If the share capital is divided into different classes, the Board may also pay, at intervals determined by it, any dividend payable at a fixed rate if it appears to the Board that the profits available for distribution justify the payment. If the Board acts in good faith it shall not incur any liability to the holders of shares conferring preferred rights for any loss they may suffer by the lawful payment of an interim dividend on any shares having deferred or non-preferred rights.

No dividend or other moneys payable in respect of a share shall bear interest against the Company unless otherwise provided by the rights attached to the share.

The Board may, if authorised by an ordinary resolution of the Company, offer any holder of shares the right to elect to receive shares, credited as fully paid, by way of scrip dividend instead of cash in respect of the whole (or some part, to be determined by the Board) of all or any dividend.

Any dividend which has remained unclaimed for 12 years from the date when it became due for payment shall, if the Board so resolves, be forfeited and cease to remain owing by the Company.

Except as provided by the rights and restrictions attached to any class of shares, the holders of the Company's shares will under general law be entitled to participate in any surplus assets in a winding up in proportion to their shareholdings. A liquidator may, with the sanction of a special resolution and any other sanction required by the Insolvency Act 1986, divide among the members in specie the whole or any part of the assets of the Company and may, for that purpose, value any assets and determine how the division shall be carried out as between the members or different classes of members.

4.4 *Variation of rights*

Rights attached to any class of shares may be varied or abrogated with the written consent of the holders of three-quarters in nominal value of the issued shares of the class, or the sanction of a special resolution passed at a separate general meeting of the holders of the shares of the class.

4.5 *Lien and forfeiture*

The Company shall have a first and paramount lien on every share (not being a fully paid share) for all moneys payable to the Company (whether presently or not) in respect of that share. The Company may sell, in such manner as the Board determines, any share on which the Company has a lien if a sum in respect of which the lien exists is presently payable and is not paid within 14 clear days after notice has been sent to the holder of the share demanding payment and stating that if the notice is not complied with the share may be sold.

Subject to the terms of the allotment, the Board may from time to time make calls on the members in respect of any moneys unpaid on their shares. Each member shall (subject to receiving at least 14 clear days' notice) pay to the Company the amount called on his or her shares. If a call or any instalment of a call remains unpaid in whole or in part after it has become due and payable, the Board may give the person from whom it is due not less than 14 clear days' notice requiring payment of the amount unpaid together with any interest which may have accrued and any costs, charges and expenses incurred by the Company by reason of such non-payment. The notice shall name the place where payment is to be made and shall state that if the notice is not complied with the shares in respect of which the call was made will be liable to be forfeited.

4.6 *Transfer of shares*

A member may transfer all or any of his or her certificated shares by an instrument of transfer in any usual form or in any other form which the Board may approve. An instrument of transfer shall be signed by or on behalf of the transferor and, unless the share is fully paid, by or on behalf of the transferee. An instrument of transfer need not be under seal.

The Board may, in its absolute discretion, refuse to register the transfer of a certificated share which is not a fully paid share, provided that the refusal does not prevent dealings in shares in the Company from taking place on an open and proper basis. The Board may also refuse to register the transfer of a certificated share unless the instrument of transfer:

4.6.1 is lodged, duly stamped (if stampable), at the office or at another place appointed by the Board accompanied by the certificate for the share to which it relates and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer;

4.6.2 is in respect of one class of share only; and

4.6.3 is in favour of not more than four transferees.

If the Board refuses to register a transfer of a share in certificated form, it shall send the transferee notice of its refusal within two months after the date on which the instrument of transfer was lodged with the Company.

No fee shall be charged for the registration of any instrument of transfer or other document relating to or affecting the title to a share.

Subject to the provisions of the CREST Regulations, the Board may permit the holding of shares in any class of shares in uncertificated form and the transfer of title to shares in that class by means of a relevant system and may determine that any class of shares shall cease to be a participating security.

4.7 *Alteration of share capital*

The Articles do not restrict the Company's ability to increase, consolidate or sub-divide its share capital. Therefore, subject to the Act, the Company may by ordinary resolution increase, consolidate or sub-divide its share capital.

4.8 *Purchase of own shares*

The Articles do not restrict the Company's ability to purchase its own shares. Therefore, subject to the Act and without prejudice to any relevant special rights attached to any class of shares, the Company may purchase any of its own shares of any class in any way and at any price (whether at par or above or below par).

4.9 *General meetings*

The Board shall convene and the Company shall hold general meetings as annual general meetings in accordance with the requirements of the Act. The Board may call general meetings whenever and at such times and places as it shall determine. The Articles permit the Board to take advantage of section 360A of the Act to hold general meetings by electronic means.

4.10 *Directors*

4.10.1 *Appointment of Directors*

Unless otherwise determined by ordinary resolution, the number of Directors shall be not less than two but shall not be subject to any maximum in number. Directors may be appointed by ordinary resolution of Shareholders or by the Board.

4.10.2 *No share qualification*

A Director shall not be required to hold any shares in the capital of the Company by way of qualification.

4.10.3 *Annual retirement of Directors*

At every annual general meeting all the Directors at the date of notice convening the annual general meeting shall retire from office. A retiring Director shall be eligible for appointment.

4.10.4 *Remuneration of Directors*

The emoluments of any Director holding executive office for his or her services as such shall be determined by the Board, and may be of any description.

The ordinary remuneration of the Directors who do not hold executive office for their services (excluding amounts payable under any other provision of the Articles) shall not exceed in aggregate any maximum set out in the remuneration policy of the Company most recently approved by members of the Company pursuant to section 439A of the Act. Subject thereto, each such Director shall be paid a fee for his or her services (which shall be deemed to accrue from day to day) at such rate as may from time to time be determined by the Board.

In addition to any remuneration to which the Directors are entitled under the Articles, they may be paid all travelling, hotel and other 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 discharge of their duties.

The Board may provide benefits, whether by the payment of gratuities or pensions or by insurance or otherwise, for any past or present Director or employee of the Company or any of its subsidiary undertakings or any body corporate associated with, or any business acquired by, any of them, and for any member of his or her family or any person who is or was dependent on him or her.

4.10.5 *Permitted interests of Directors*

Subject to the provisions of the Act, and provided that he or she has disclosed to the Board the nature and extent of his or her interest (unless the circumstances referred to in section 177(5) or section 177(6) of the Act apply, in which case no such disclosure is required), a Director notwithstanding his or her office:

- 4.10.5.1 may be a party to, or otherwise interested in, any transaction or arrangement with the Company or in which the Company is otherwise (directly or indirectly) interested;
- 4.10.5.2 may act by himself or herself or for his or her firm in a professional capacity for the Company (otherwise than as auditor), and he or she or his or her firm shall be entitled to remuneration for professional services as if he or she were not a Director;
- 4.10.5.3 may be a director or other officer of, or employed by, or a party to any transaction or arrangement with, or otherwise interested in, any body corporate in which the Company is

(directly or indirectly) interested as a shareholder or otherwise or with which he or she has such relationship at the request or direction of the Company; and

- 4.10.5.4 shall not, by reason of his or her office, be accountable to the Company for any remuneration or other benefit which he or she derives from any such office or employment or from any such transaction or arrangement or from any interest in any such body corporate the acceptance, entry into or existence of which has been approved by the Board pursuant to Article 141 of the Articles (subject, in any case, to any limits as conditions to which such approval was subject) or which he or she is permitted to hold or enter into by virtue of paragraph 4.10.5.1, 4.10.5.2 or 4.10.5.3.

4.10.6 *Restrictions on voting*

A Director shall not vote on any resolution of the Board or committee of the Board concerning a matter in which he or she has an interest which can reasonably be regarded as likely to give rise to a conflict with the interests of the Company, unless his or her interest arises only because the resolution concerns one or more of the following matters:

- 4.10.6.1 the giving of a guarantee, security or indemnity in respect of money lent or obligations incurred by him or her or any other person at the request of, or for the benefit of, the Company or any of its subsidiary undertakings;
- 4.10.6.2 the giving of a guarantee, security or indemnity in respect of a debt or obligation of the Company or any of its subsidiary undertakings for which the Director has assumed responsibility (in whole or part and whether alone or jointly with others) under a guarantee or indemnity or by the giving of security;
- 4.10.6.3 a contract, arrangement, transaction or proposal concerning an offer of shares, debentures or other securities of the Company or any of its subsidiary undertakings for subscription or purchase, in which offer he or she is or may be entitled to participate as a holder of securities or in the underwriting or sub-underwriting of which he or she is to participate;
- 4.10.6.4 a contract, arrangement, transaction or proposal concerning any other body corporate in which he or she or any person connected with him or her is interested, directly or indirectly, and whether as an officer, shareholder, creditor or otherwise, if he or she and any persons connected with him or her do not to his or her knowledge hold an interest (as that term is used in sections 820 to 825 of the Act) representing 1% or more of either any class of the equity share capital (excluding any shares of that class held as treasury shares) of such body corporate (or any other body corporate through which his or her interest is derived) or of the voting rights available to members of the relevant body corporate (any such interest being deemed for the purpose of the Articles to be likely to give rise to a conflict with the interests of the Company in all circumstances);
- 4.10.6.5 a contract, arrangement, transaction or proposal for the benefit of employees of the Company or of any of its subsidiary undertakings which does not award him or her any privilege or benefit not generally accorded to the employees to whom the arrangement relates; and
- 4.10.6.6 a contract, arrangement, transaction or proposal concerning any insurance which the Company is empowered to purchase or maintain for, or for the benefit of, any Directors or for persons who include Directors.

4.10.7 *Indemnity of officers*

Subject to the provisions of the Act, but without prejudice to any indemnity to which the person concerned may otherwise be entitled, every Director or other officer of the Company (other than any person (whether an officer or not) engaged by the Company as auditor) shall be indemnified out of the assets of the Company against any liability incurred by him or her for negligence, default, breach of duty or breach of trust in relation to the affairs of the Company, provided that the Articles shall be deemed not to provide for, or entitle any such person to, indemnification to the extent that it would cause the Articles, or any element of them, to be treated as void under the Act.

5. Mandatory bids and compulsory acquisition rules relating to Shares

5.1 Other than as provided by the City Code and Chapter 28 of the Act, there are no rules or provisions relating to mandatory bids and/or squeeze out and sell out rules relating to the Company.

5.2 *Mandatory bids*

5.2.1 The City Code will apply to the Company from Admission. Under Rule 9 of the City Code, if an acquisition of interests in shares were to increase the aggregate holding of the acquirer and its concert parties to interests in shares carrying 30% or more of the voting rights in the Company, the acquirer and, depending on the circumstances, its concert parties would be required (except with the consent of the Takeover Panel) to make a cash offer for the outstanding shares in the Company at a price not less than the highest price paid for interests in shares by the acquirer or its concert parties during the previous 12 months. This requirement would also be triggered by any acquisition of interests in shares by a person who (together with its concert parties) is interested in shares which in aggregate carry not less than 30% of the voting rights of the Company but does not hold shares carrying more than 50% of such voting rights if the effect of such acquisition were to increase that person's percentage of the total voting rights in the Company. Immediately following Admission, the Principal Shareholder will hold approximately 48.2% of the issued share capital of the Company (assuming no exercise of the Over-allotment Option, or approximately 42.9% if the Over-allotment Option is exercised in full).

5.3 *Squeeze-out*

5.3.1 Under the Act, if an offeror were to make an offer to acquire all of the shares in the Company not already owned by it and were to acquire 90% of the shares to which such offer related it could then compulsorily acquire the remaining 10%. The offeror would do so by sending a notice to outstanding members telling them that it will compulsorily acquire their shares and then, six weeks later, it would deliver a transfer of the outstanding shares in its favour to the Company which would execute the transfer on behalf of the relevant members, and pay the consideration to the Company which would hold the consideration in trust for outstanding members. The consideration offered to the members whose shares are compulsorily acquired under this procedure must, in general, be the same as the consideration that was available under the original offer unless a member can show that the offer value is unfair.

5.4 *Sell-out*

5.4.1 The Act also gives minority members a right to be bought out in certain circumstances by an offeror who has made a takeover offer. If a takeover offer related to all the shares in the Company and, at any time before the end of the period within which the offer could be accepted, the offeror held or had agreed to acquire not less than 90% of the shares, any holder of shares to which the offer related who had not accepted the offer could by a written communication to the offeror require it to acquire those shares. The offeror would be required to give any member notice of his/her right to be bought out within one month of that right arising. The offeror may impose a time limit on the rights of minority members to be bought out, but that period cannot end less than three months after the end of the acceptance period or, if later, three months from the date on which notice is served on members notifying them of their sell-out rights. If a member exercises his/her rights, the offeror is entitled and bound to acquire those shares on the terms of the offer or on such other terms as may be agreed.

5.4.2 No takeover offer (within the meaning of Part 28 of the Act) was or has been made for any Shares during the year ended 31 March 2020 or to date during the current fiscal year ending 31 March 2021.

5.5 *Buyback or redemption of shares*

5.5.1 When a company redeems or purchases its own voting shares, under Rule 37.1 of the City Code, any resulting increase in the percentage of shares carrying voting rights in which a person or group of persons acting in concert is interested will be treated as an acquisition for the purpose of Rule 9 of the City Code. Rule 37.1 of the City Code provides that, subject to prior consultation, the Panel will normally waive any resulting obligation to make a general offer if there is a vote of independent shareholders approving such a waiver. Appendix 1 to the City Code sets out the procedure which should be followed in obtaining that consent of independent shareholders. Under Note 1 to Rule 37.1 of the City Code, a person who comes to exceed the limits in Rule 9.1 in consequence of a company's purchase of its own shares will not normally incur an obligation to make a mandatory offer unless that person is a director, or the relationship of the person with any one or more of the directors is such that

the person is, or is presumed to be, concert parties with any of the directors. However, there is no presumption that all the directors (or any two or more directors) are concert parties solely by reason of a proposed purchase by a company of its own shares, or the decision to seek shareholders' authority for any such purchase. For so long as representative(s) of the Principal Shareholder (or its concert parties) are director(s) of the Company, Note 1 to Rule 37.1 of the City Code will not exempt the Principal Shareholder (or its concert parties) from the effects of Rule 37.1 of the City Code.

- 5.5.2 Under Note 2 to Rule 37.1 of the City Code, the exception in Note 1 to Rule 37.1 described above will not apply, and an obligation to make a mandatory offer may therefore be imposed, if concert parties have acquired an interest in shares at a time when they had reason to believe that such a purchase of their own shares by the company would take place. Note 2 will not normally be relevant unless the concert parties know that a purchase for which requisite shareholder authority exists is being, or is likely to be, implemented (whether in whole or in part).
- 5.5.3 The Panel must be consulted in advance in any case where Rule 9 of the City Code might be relevant. This will include any case where a person or group of persons acting in concert is interested in shares carrying 30% or more but does not hold shares carrying more than 50% of the voting rights of a company, or may become interested in 30% or more on full implementation of the proposed purchase of own shares.
- 5.5.4 Subject to certain limits, the Company has authority to purchase Shares under the terms of the shareholder resolution summarised in paragraph 2.8.6 of this Part 14 (Additional Information) (the "Buyback Authority"). The maximum aggregate number of Shares authorised to be purchased under the Buyback Authority is 10% of the Company's issued share capital immediately following Admission (subject to the conditions summarised in paragraph 2.8.6 of this Part 14 (Additional Information)).
- 5.5.5 The Buyback Authority is due to expire at the conclusion of the next annual general meeting of the Company or, if earlier, the close of business on the date falling 18 months after the Buyback Authority was passed, but in each case so that the Company may, before the expiry of the Buyback Authority enter into a contract to purchase Shares which will or may be executed wholly or partly after the expiry of such Buyback Authority.
- 5.5.6 If, prior to such expiry: (a) the Company were to exercise the Buyback Authority in full; (b) the aggregate percentage beneficial shareholding of the Principal Shareholder in the Company immediately following Admission is approximately 48.2% of the issued share capital of the Company, assuming no exercise of the Over-allotment Option, or approximately 42.9% if the Over-allotment Option is exercised in full; and (c) none of the Shares which the Principal Shareholder holds are purchased by the Company under the Buyback Authority and no Shares had been newly issued by the Company between the date of Admission and the date that the authority is fully exercised, then the shareholding of the Principal Shareholder in the Company would increase to approximately 53.5%, assuming no exercise of the Over-allotment Option, and approximately 47.7% if the Overallotment Option is exercised in full. This increase would be less to the extent that: (i) any of the Shares of the Principal Shareholder are purchased by the Company; and (ii) as noted below, the Stabilising Manager had exercised the Over-allotment Option by acquiring further Shares from the Principal Shareholder.
- 5.5.7 In respect of the period from Admission up to the close of business on 28 July 2022 or, if earlier, at the conclusion of the next annual general meeting of the Company, the Panel has confirmed that notwithstanding Rule 37.1 of the City Code, this potential increase in the shareholding of the Principal Shareholder in the Company due to the Buyback Authority will not require the Principal Shareholder to make a mandatory offer pursuant to Rule 9 of the City Code, and therefore a whitewash resolution of the independent shareholders will not be necessary. This confirmation has been given on the basis that (a) the Buyback Authority was passed on 28 January 2021 and (b) the consequences of such a buyback have been fully disclosed in this document. However, following the close of the next annual general meeting of the Company or, if earlier, 18 months from the date on which the resolution was passed, to the extent that authority for share buybacks may be sought in future, approval for a whitewash resolution will be sought from the Panel and from the independent shareholders of the Company at that time to the extent necessary.

5.6 **Stabilisation arrangements in connection with the Offer**

- 5.6.1 Under the stabilisation arrangements described in Part 13 (Details of the Offer), Goldman Sachs International, as Stabilising Manager, may purchase or procure purchasers for additional Shares up to a

maximum of 52,500,005 Shares, being 15% of the total number of Shares comprised in the Offer at the Offer Price from the Principal Shareholder under the terms of the Stock Lending Agreement for the purposes of satisfying over allotments of Shares (the “Over-allotment Option”). The Over-allotment Option will be exercisable in whole or in part, upon notice by the Stabilising Manager, at any time on or before the thirtieth calendar day after the commencement of conditional dealings of the Shares on the London Stock Exchange.

- 5.6.2 As a result of the combined effect of lending Shares pursuant to the Stock Lending Agreement and granting the Over-allotment Option, the Principal Shareholder’s shareholding in the Company can only remain the same or decrease from what its shareholding would be if it were not party to any stabilisation arrangements. In particular, the Principal Shareholder’s shareholding in the Company will return to its original level when the loan is repaid and then decrease if the Stabilising Manager acquires Shares from it pursuant to utilisation of the Over-allotment Option. The minimum and maximum percentages of the Principal Shareholder’s shareholding in the Company following the operation of the stock lending and over allotment arrangements (and assuming no exercise of the Buyback Authority) are 42.9% and 48.2%, respectively.
- 5.6.3 The Takeover Panel has confirmed to the Company that no mandatory offer for the Company need be made as a result of the arrangements and transactions described above. In particular, the Takeover Panel has confirmed that, pursuant to Note 4 to the definition of “interests in securities” in, and Notes 17 and 18 to Rule 9.1 of, the City Code, the Principal Shareholder will not be treated as having disposed of an interest in any Shares when it lends Shares to the Stabilising Manager under the Stock Lending Agreement and will not therefore be treated as having increased its interest in Shares upon the repayment of such loan.
- 5.6.4 An announcement will be made by the Company or by the Stabilising Manager on its behalf following any utilisation of the Over-allotment Option, not later than one week after the end of the stabilisation period, and a further announcement will be made in accordance with the Disclosure Guidance and Transparency Rules to record the movements that have taken place in the Principal Shareholder’s shareholding in the Company consequent upon the arrangements referred to above. This announcement will include the Principal Shareholder’s then current shareholding and its shareholding assuming that: (a) the Company were to exercise the Buyback Authority in full (for 10% of the Company’s issued share capital immediately following Admission); and (b) none of the Shares which the Principal Shareholder holds are purchased by the Company under the Buyback Authority and no Shares are newly issued by the Company between the date of Admission and the date that the Buyback Authority is fully exercised.

6. Directors’ and Senior Managers’ interests

- 6.1 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) immediately prior to Admission will be, and immediately following Admission are expected to be:

Director/Senior Manager	Shares held immediately prior to Admission⁽¹⁾	Number of Shares to be sold in the Offer⁽²⁾	Shares to be held immediately following Admission⁽³⁾
Paul Mason	11,250,000	3,375,000	7,875,000
Kenny Wilson ⁽⁴⁾	16,688,400	5,523,125	11,165,275
Jon Mortimore ⁽⁵⁾	9,491,300	3,141,257	6,350,043
Lynne Weedall ⁽⁶⁾	—	—	4,054
Tara Alhadeff	—	—	—
Ije Nwokorie ⁽⁶⁾	—	—	5,405
Robyn Perriss ⁽⁶⁾	—	—	54,054
Ian Rogers ⁽⁶⁾	—	—	20,270
Darren Campbell	7,500,000	2,250,000	5,250,000
Derek Chan	3,000,000	1,254,191	1,745,809
Ronald Garricks	1,500,000	627,095	872,905
Leslie Lane	7,500,000	2,250,000	5,250,000
Lorenzo Moretti	1,500,000	627,095	872,905
Sean O'Neill	6,000,000	3,328,822	2,671,178
Geert Peeters	6,750,000	2,025,000	4,725,000
Emily Reichwald	6,000,000	1,800,000	4,200,000
Helen Verwoert	6,000,000	1,800,000	4,200,000
Erik Zambon	3,000,000	900,000	2,100,000

Notes:

- (1) Each of such Shareholdings is less than 2% of the Company's issued share capital.
 - (2) Each of the Directors and Senior Managers will have the opportunity to sell up to 30% of their Shareholding in the Offer, save that (i) Kenny Wilson and Jon Mortimore will each have the opportunity to realise 30% of the net value of their Shares (calculated on an after tax basis and, in the case of Kenny Wilson, taking into account the amount required to repay loans from the Group which were provided to acquire Shares, amounting to approximately 33% of their respective Shareholdings); (ii) Sean O'Neill will have the opportunity to sell additional Shares due to an overseas tax charge he may have as a result of the Reorganisation and (iii) Derek Chan, Ronald Garricks and Lorenzo Moretti will each have the opportunity to sell additional Shares to raise additional proceeds to repay loans from the Group which were provided to acquire Shares.
 - (3) Assuming each individual sells in the Offer the maximum number of Shares he or she is permitted to sell.
 - (4) 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 Admission.
 - (5) 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 Admission.
 - (6) Lynne Weedall intends to apply for Shares with a value of £15,000 in the Offer, Ije Nwokorie intends to apply for Shares with a value of £20,000 in the Offer, Robyn Perriss intends to apply for Shares with a value of £200,000 in the Offer and Ian Rogers intends to apply for Shares with a value of £75,000 in the Offer. All such applications will be met in full.
- 6.2 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.
- 6.3 Save for a loan to Kenny Wilson of £620,000 (of which £444,554 is outstanding as of the date of this Prospectus) 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 Prospectus), in each case for the purpose of assisting the relevant individuals in acquiring Shares, and which will be repaid from the net proceeds from the sale of Shares in the Offer, 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.
- 6.4 There are no family relationships between any of the Directors and/or the Senior Managers.

7. Directors' terms of employment

7.1 The Directors and their functions are set out in Part 7 (*Directors, Senior Managers and Corporate Governance*). The business address of each of the Directors is 28 Jamestown Road, Camden, NW1 7BY.

7.2 Executive Directors

(a) Term of employment

On 21 January 2021, Kenny Wilson and Jon Mortimore entered into service agreements with the Company for the positions of Chief Executive Officer and Chief Financial Officer, respectively, which will come into effect on Admission and replace their existing service agreements with Doc Bidco Limited.

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. 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.

7.3 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' 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 any 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 committee):

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.

- 7.4 Save as set out in paragraphs 7.2 (*Executive Directors*) and 7.3 (*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.

7.5 *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 the Company 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 the Company 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 the Company 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 the Company 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.

- 7.6 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 Prospectus.

7.7 *Distribution of Shares and proceeds of sale of Shares by the EBT*

On completion of the Reorganisation, the EBT will hold 13,500,000 Shares. Immediately prior to Admission, 1,688,400 of these Shares will be transferred by the EBT to Kenny Wilson and 1,241,300 Shares will be transferred by the EBT to Jon Mortimore. The remaining 10,570,300 Shares will be sold by the EBT in the Offer, which is expected to raise net proceeds of between £33.7 million and £37.8 million.

In recognition of the contribution made by employees of the Group to the success and continuing progress made by the business, and conditional on Admission, the EBT intends to distribute the net proceeds from the sale of Shares by the EBT in the Offer, together with £4.2 million already held by the EBT, to make a bonus payment to each employee of the Group (other than the two Executive Directors). Between £17.6 million and £19.8 million of such bonus will be distributed between the Group's employees who are not Senior Managers and the balance will be distributed among the Senior Managers (other than the Executive Directors).

7.8 *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 Prospectus:

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 Cath Kidston Group Limited CKL Realisations Limited
Kenny Wilson	—	—
Jon Mortimore	—	—
Lynne Weedall	LW2019 Limited 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 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

Name	Current directorships / partnerships	Past directorships / partnerships
Geert Peeters	Gimv NV	Cath Kidston Group Limited
	Vlaamse Participatiemaatschappij (VPM)	CKL Realisations Limited
Emily Reichwald	—	National Energy Action
Helen Verwoert	—	—
Erik Zambon	—	—

7.9 Within the period of five years preceding the date of this Prospectus, 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.

8. Principal Shareholders

8.1 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, or will represent, directly or indirectly, 3% or more of the issued share capital of the Company immediately following Admission and the interests of those acquiring 5% or more of the Existing Shares being sold in the Offer:

Shareholders	Immediately prior to Admission		Number of Shares to be sold in the Offer		Immediately following Admission ⁽¹⁾	
	Number of Shares	Percentage of issued share capital	Number of Shares	Percentage of issued share capital	Number of Shares	Percentage of issued share capital
Ingrelux S.à.r.l. ⁽²⁾	734,955,200	73.50	253,292,485	25.33 ⁽¹⁾	481,662,715	48.17
BlackRock Funds ⁽³⁾	—	—	—	—	67,567,568	6.76
GIC Pte Ltd	—	—	—	—	40,540,541	4.05
Fidelity Management & Research Company LLC	—	—	—	—	32,500,000	3.25
Henderson Global Investors Limited	—	—	—	—	27,050,000	2.70
Merian—Jupiter ⁽⁴⁾	—	—	—	—	20,270,271	2.03

Notes:

- (1) Assuming no exercise of the Over-allotment Option. If the Over-allotment Option is exercised in full, the Principal Shareholder will sell a further 52,500,005 Shares, representing 15% of the Shares in the Offer.
- (2) Ingrelux S.à.r.l. is the direct shareholder in the Company and is wholly owned by funds advised by Permira Advisers LLP.
- (3) BlackRock Investment Management (UK) Limited, as agent for funds and accounts under its management.
- (4) Merian Global Investors (UK) Limited and Jupiter Asset Management Limited, as agents for funds managed by Merian Global Investors and Jupiter Asset Management.

8.2 Save as disclosed above, in so far as is known to the Directors, there is no other person who is or will be immediately following Admission, 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. None of the Company's major Shareholders have or will have different voting rights attached to the shares they hold in the Company.

- 8.3 On or about the date of this Prospectus, the Principal Shareholder and the Griggs Shareholders entered into an agreement regulating the disposal of Shares by any of them following Admission (without prejudice to the terms of the lock-up described in Part 13 (*Details of the Offer—Lock-up arrangements*)), such that any disposals of Shares by such Shareholders may be coordinated and conducted in an orderly manner.

9. Selling Shareholders

- 9.1 The identity of the Selling Shareholders, their business address and the maximum number of Shares each will sell in the Offer is as follows:

	Shareholding immediately prior to Admission		Number of Shares to be sold in the Offer	Shareholding immediately following Admission	
	Number of Shares	Percentage of issued share capital (%)	Number of Shares	Number of Shares	Percentage of issued share capital (%)
Selling Shareholders					
Ingrelux S.à.r.l. ⁽¹⁾	734,955,200	73.50	253,292,485	481,662,715	48.17 ⁽²⁾
Griggs Shareholders ⁽³⁾	94,423,600	9.44	32,541,826	61,881,774	6.19
Directors ⁽⁴⁾	37,429,700	3.74	12,039,382	25,390,318	2.54
Senior Managers ⁽⁴⁾	48,750,000	4.87	16,862,203	31,887,797	3.19
Intertrust Employee Benefit Trustee Limited ⁽⁵⁾	10,570,300	1.06	10,570,300	—	—
Other employees ⁽⁶⁾	30,449,000	3.04	10,168,155	20,280,845	2.03
Former employees and others	43,422,300	4.34	14,525,684	28,896,616	2.89

Notes:

- (1) Ingrelux S.à.r.l. is the direct shareholder of the Company and is wholly owned by funds advised by Permira Advisers LLP. The business address of Ingrelux S.à.r.l. is 282 Route De Longwy, L-1940, Luxembourg.
- (2) Assuming no exercise of the Over-allotment Option.
- (3) Eight Shareholders, being members of the Griggs family and certain Griggs family trusts.
- (4) The business address of each of the Directors and Senior Managers is 28 Jamestown Road, Camden, London NW1 7BY.
- (5) Acting as trustee of the Doc Topco Limited Employee Benefit Trust (the "EBT"). The business address of Intertrust Employee Benefit Trustee Limited is 44 Esplanade, St Helier, JE4 9WG, Jersey. Immediately prior to Admission the EBT will transfer 1,688,400 Shares to Kenny Wilson and 1,241,300 Shares to Jon Mortimore. The balance of the Shares held by the EBT (10,570,300 Shares) will be sold by the EBT in the Offer and the net proceeds of such sale will be distributed, together with £4.2 million currently held by the EBT, to employees of the Group as described in paragraph 7.7 (*Distribution of Shares and proceeds of sale of Shares by the EBT*) of this Part 14 (*Additional Information*).
- (6) Current employees of the Group who are not Directors or members of the Global Leadership Team.

10. Dilution

- 10.1 Existing Shareholders will not experience a dilution as a result of the Offer.

11. Remuneration policy

Prior to Admission, the remuneration policy for Executive Directors was reviewed to ensure that, after Admission, it continues to incentivise and reward long-term, sustainable growth of the Company, complies fully with the Governance Code, and is in line with market best practice and the guidelines of UK institutional shareholders and advisory bodies. The policy is designed to provide market competitive remuneration for the achievement of stretching targets, with the weighting of the incentives balanced to the achievement of the long-term business strategy. The policy has been tested against the six factors listed in Provision 40 of the Governance Code:

- **Clarity**—the policy is as clear as possible and full details will be described in straightforward concise terms to shareholders and the workforce in the first Directors' Remuneration Report.
- **Simplicity**—remuneration structures are as simple as possible and market typical, whilst at the same time incorporating the necessary structural features to ensure a strong alignment to performance and strategy and minimising the risk of rewarding failure.

- **Risk**—the remuneration policy has been shaped to discourage inappropriate risk taking through a weighting of incentive pay towards long term incentives, the balance between financial and non-financial measures in the annual bonus known as the Global Management Incentive Plan (the “GMI”), a portion of the GMI being paid in Shares, recovery provisions, and in-employment & post-employment shareholding requirements.
- **Predictability**—elements of the policy are subject to caps and dilution limits. The Committee may exercise its discretion to adjust directors’ remuneration if a formula-driven incentive pay-out is inappropriate in the circumstances.
- **Proportionality**—there is a sensible balance between fixed pay and variable pay, and incentive pay is weighted to sustainable long-term performance. Incentive plans are subject to performance conditions that consider both financial and non-financial performance linked to strategy, and outcomes will not reward poor performance.
- **Alignment to culture**—the remuneration committee will consider company culture and wider workforce policies when shaping and developing Executive Director remuneration policies to ensure that there is coherence across the organisation. There will be a strong emphasis on the fairness of remuneration outcomes across the workforce.

A summary of the Executive and Non-Executive Director remuneration policy immediately following Admission is provided below and further details will be provided in the Company’s first Directors’ Remuneration Report. The Company will formally propose the remuneration policy for approval by Shareholders at the first Annual General Meeting of the Company following Admission in accordance with the Large and Medium-sized Companies and Groups (Accounts and Report) Regulations 2008 (as amended). Subject to shareholder approval, it is intended that the policy will apply for three years.

11.1 *Base salary—Executive Directors*

On Admission, the base salaries for the CEO and CFO will be £700,000 and £450,000 per annum, respectively. Base salaries will be reviewed annually and take into account several factors including the relevant director’s role, experience and skills as well as business performance. Any increases will generally be made in line with any base salary increase for the rest of the workforce but the remuneration committee retains the discretion to increase salaries above this rate where appropriate (for example, upon a material change to the scope of the role).

11.2 *Pension and benefits—Executive Directors*

Executive Director pension contribution rates will be 5% of salary, which is in line with the rate applicable for the majority of the UK workforce. In addition, the Executive Directors will receive benefits which include family private health cover, life assurance cover and a car allowance.

11.3 *Global Management Incentive Plan*

The Executive Directors will participate in the annual bonus plan known as the GMI. The maximum GMI opportunity for the CEO and CFO will be 200% and 150% of salary, respectively. At least one third of the GMI earned will be deferred into Shares for two years (during which time the Shares cannot be sold) and the remainder will be paid in cash.

The GMI pay-out will be determined based on performance against a range of financial and personal/strategic objectives. The majority of the GMI will be based on financial performance targets. It is currently intended that the FY2022 GMI will be based 75% on Group Profit Before Tax and 25% on a range of strategic objectives. The remuneration committee has the discretion to adjust the formulaic GMI outcome if it believes that such outcome is not a fair and accurate reflection of business performance.

The GMI for the year ending 31 March 2021 will be unaffected by Admission.

11.4 *Long-Term Incentive Plan and IPO Awards*

On Admission, the Board will adopt a long-term incentive plan which is designed to encourage sustainable long-term performance. Under the Dr. Martens Long-Term Incentive Plan (the “LTIP”), Performance Share Awards will be granted annually and will be subject to stretching long-term

performance conditions and share retention requirements after vesting. The normal maximum grant level for Executive Directors will be 300% of salary (face value of Shares at grant).

It is expected that the first awards under the LTIP will be granted soon after Admission (the “IPO Awards”). Performance Share Awards will be granted to the CEO and CFO over Shares with a face value of 300% of their respective base salaries. Members of the Global Leadership Team will also be granted Performance Share Awards over Shares with a face value of 150% of their respective base salaries. In each case the face value of the Award will be calculated using the Offer Price.

IPO Awards granted to the Executive Directors and members of the Global Leadership Team will vest subject to the achievement of challenging Earnings Per Share (“EPS”) and Relative Total Shareholder Return (“TSR”) targets. The targets which will apply to these IPO Awards are shown below:

Performance measure	How measured?	Weighting	Targets	
			Threshold (25% vests)	Maximum (100% vests)
EPS	Compound annual growth measured from FY 2021 to FY 2024	67%	12% p.a.	21% p.a.
Relative TSR	Company TSR vs. FTSE 350 (excluding investment trusts) from Admission date to 31 March 2024	33%	Median	Upper quartile

25% of the award will vest for threshold performance. Performance will be assessed over three years and, upon vesting, the post-tax number of Shares will be subject to a 2-year holding period. The Executive Directors will also receive dividend equivalents equal to the value of dividends which would have accrued on vested Shares.

In addition, Restricted Share Awards will be granted to employees below the Global Leadership Team with half of the Award vesting 18 months from the date of grant, and half vesting 36 months after the date of grant.

As for the GMI, the remuneration committee has the discretion to adjust the formulaic LTIP outcome if it believes that such an outcome is not a fair and accurate reflection of business performance.

A summary of the material terms of the LTIP are set out in paragraph 12.1 (*Long Term Incentive Plan*) of this Part 14 (*Additional Information*).

11.5 *Recovery and withholding provisions*

In line with market best practice, clawback and malus can be applied within three years of LTIP awards vesting or GMI payment as determined at the discretion of the remuneration committee. These provisions may, without limitation, be applied in the following circumstances: (i) material financial misstatement; (ii) significant reputational damage; (iii) negligence or gross misconduct by a participant; (iv) fraud effected by or with the knowledge of a participant; (v) material corporate failure; or (vi) where awards were granted or vested based on erroneous or misleading data.

11.6 *Shareholding requirement*

During employment, Executive Directors are required to build and maintain a shareholding equivalent to 300% of their base salary. The shareholdings of the CEO and CFO will comfortably exceed this requirement on Admission. If, in relation to newly recruited Executive Directors, the requirement has not been met, Executive Directors will be required to retain 50% of the net of tax Shares they receive under the incentive plans until the requirement is met. After employment, Executive Directors will be expected to retain the lower of the Shares held at cessation of employment and Shares to the value of 300% of salary for a period of two years.

11.7 *Recruitment policy*

Consistent with market practice, remuneration packages for any new appointments to the Board (including internal hires) will be set in line with the remuneration policy. For external appointments, the Company recognises that it may need to provide compensation for forfeited awards from the individual’s previous employer (“buy-out awards”). To the extent possible, the design of buy-out awards will be made on a broadly like-for-like basis and shall be no more generous than the terms of

the incentives they are replacing, taking into account the performance conditions attached to the vesting of the forfeited incentives, the timing of vesting and the likelihood of vesting.

11.8 *Termination of employment—Executive Directors*

Executive Directors have a service contract requiring 9 months' notice of termination from either party. The Company may, at its sole discretion, terminate the contract immediately, at any time after notice is served, by making a payment in lieu of notice equivalent to salary, benefits and pension. Any such payments will normally be paid in monthly instalments over the remaining notice period and be reduced to offset earnings from other employment.

Treatment of other elements of the policy (including GMI and LTIP), will vary depending on whether an Executive Director is defined as a "good" or "bad" leaver. "Bad" leavers will not be eligible to receive a GMI and any outstanding LTIP awards will lapse. However, in certain circumstances, at the discretion of the remuneration committee, good leaver status may be applied. Good leavers will generally be eligible to receive a GMI and outstanding LTIP awards. The GMI and LTIP awards will be subject to the satisfaction of the relevant performance criteria tested at the normal date and, ordinarily, the outcome will be calculated on a time pro-rata basis.

11.9 *All-employee share plans*

The Executive Directors are eligible to participate in any all-employee share plan operated by the Company. Participation will be capped by the HMRC limits in the respective plan.

11.10 *Non-Executive Directors*

The Chair of the Board and Independent Non-Executive Directors are appointed by letters of appointment with an initial three-year term. Tara Alhadeff's appointment is expected to continue for so long as she is nominated as a director pursuant to the Relationship Agreement. The Chair of the Board receives an all-inclusive fee whereas Independent Non-Executive Directors are paid a base fee and additional fees for acting as Senior Independent Director and/or as the chair of any Board committees (or to reflect other additional responsibilities and/or additional time commitments). Tara Alhadeff is not entitled to any fee in respect of her directorship.

The Chair of the Board will receive an annual fee of £325,500 on Admission. The Non-Executive Directors receive a base annual fee of £64,800 with additional fees for the roles of Senior Independent Director (£15,000 per annum), chair of the audit and risk committee of the Board (£16,900 per annum), and chair of the remuneration committee of the Board (£16,200 per annum). Neither the Chair of the Board nor the Non-Executive Directors will participate in any incentive plans. The fee for the Chair of the Board is determined by the remuneration committee, whilst fees for the Non-Executive Directors are determined by the Board (minus the Non-Executive Directors).

12. **Employee share plans**

12.1 *Long Term Incentive Plan*

12.1.1 General

The Dr. Martens Long Term Incentive Plan (the "LTIP") will be adopted on Admission. The LTIP provides for the grant of awards over Shares ("Awards").

Awards under the LTIP may take the form of, or any combination of: (a) an option to acquire Shares at no or nominal cost ("Option"); (b) a contingent right to receive Shares ("Conditional Award"); or (c) a right to receive a cash payment calculated by reference to the market value of a notional share ("Phantom Award"), at the discretion of the remuneration committee.

12.1.2 Eligibility

All employees of Dr. Martens plc and its subsidiaries (including Executive Directors) will be eligible to participate in the LTIP at the discretion of the remuneration committee.

12.1.3 Grant of Awards

Awards may be granted on any date which falls within the period of 42 days starting on: (a) Admission; (b) the announcement of the company's results for any period (including any trading update); (c) any day on which the remuneration committee resolves that circumstances exist

which justify the grant of Awards outside the periods referred to in (a) to (b); or (d) the day following the lifting of any applicable dealing restrictions which prevented the grant of the Award during the periods referred to in (a) to (c) above. No Awards may be granted after the tenth anniversary of the LTIP's adoption.

Awards may be granted on terms that vesting is conditional upon continued employment and also upon the achievement of any performance conditions ("Performance Share Awards"). Awards may also be granted on terms that vesting is conditional upon continued employment but not conditional on the achievement of any performance conditions ("Restricted Share Awards"). Awards granted to Executive Directors will always be consistent with the Company's directors' remuneration policy as approved by shareholders from time to time, including as to the applicable performance measures.

12.1.4 Vesting of Awards

Performance Share Awards will vest subject to the satisfaction of any performance conditions, whilst Restricted Share Awards will not be subject to satisfaction of performance conditions. Vesting of both Performance Share Awards and Restricted Share Awards will generally be subject to continued employment.

The remuneration committee will set the vesting date or dates for Awards when they are granted.

Vesting of Awards will also be conditional upon (a) participants having complied with all regulatory and legal requirements applicable to them; (b) participants accepting all relevant terms of the Award, including, for example, in relation to the holding of Shares in a nominee account after vesting; and (c) participants being free from any dealing restrictions.

The remuneration committee has the flexibility to amend the vesting outcome of an Award where it considers it appropriate to do so to reflect the wider performance of the Group, or outcomes for shareholders over the vesting period.

Once exercisable, Options may be exercised until the tenth anniversary of the date of grant or such other shorter period determined by the remuneration committee when the Option is granted.

Subject to any arrangements to give effect to a holding period, once a participant's Award has vested, and if relevant has been exercised, the relevant number of Shares (or a relevant amount of cash in the case of Phantom Awards) will be transferred or issued to the participant or their nominee not later than 60 days after any date on which the Award vests. All Shares will carry the same rights as other Shares of the Company (except for entitlements arising before the date of acquisition by the individual). The company will apply to the UK Financial Conduct Authority and the London Stock Exchange for admission to listing and trading of any newly issued Shares.

12.1.5 Holding Period

The remuneration committee has discretion to impose a post-vesting holding period (the "Holding Period") in respect of vested Shares or unexercised Options. This is set at two years as the default position, but the remuneration committee may amend the length of the Holding Period, or determine that it shall cease to apply to all or some of the Shares or Options subject to it, in its discretion. During this Holding Period, a participant must retain and may not transfer, assign, sell, pledge or otherwise dispose of the Shares or Options which are subject to the Holding Period (other than to satisfy any tax liabilities in connection with the Award).

Where a Holding Period applies, the remuneration committee may impose such requirements as it considers necessary or desirable to ensure compliance with the Holding Period, including requiring a nominee to hold the relevant Shares for the participant.

12.1.6 Dividend Equivalents

The remuneration committee may in its discretion grant an Award on terms that the participant will receive on vesting an amount which is equal in value to the aggregate dividends that would have been paid on the Shares (or notional shares) in respect of which the Award vests between the date of grant and the vesting date ("Dividend Equivalents"). In the case of an Award granted as an Option, the remuneration committee will have the discretion to determine that Dividend Equivalents shall accrue during the Holding Period for such Options prior to exercise by the participant. Dividend Equivalents will generally be satisfied in Shares, but the remuneration committee has discretion to satisfy them in cash.

12.1.7 Leavers

If a participant leaves employment with a member of the Group, their Awards will generally lapse on the date of cessation.

If a participant dies or leaves employment by reason of injury, disability, ill-health, redundancy, sale of the business or company in which the participant is employed out of the Group or for any other reason in the remuneration committee's discretion ("good leavers"), Awards shall continue and will vest (subject to the achievement of any performance conditions) on the original vesting date or on such other date as the remuneration committee determines. The number of Shares under an Award will ordinarily be reduced to reflect the proportion of the vesting period or performance period that has elapsed at the date the participant leaves.

The remuneration committee may determine that Awards held by good leavers shall not be subject to time pro-rating or that Awards will be reduced on some other basis.

12.1.8 Change of Control

If there is a change of control of the company Awards may vest early. The number of Shares in respect of which an Award will vest will generally be determined by the remuneration committee by reference to the extent to which applicable performance or other conditions have been met and the number of Shares under the Awards will ordinarily be reduced to reflect the proportion of the vesting period or performance period that has elapsed at the date of the change of control. The remuneration committee may if it considers it to be appropriate determine that Awards shall not be subject to time pro-rating or that they shall be reduced on some other basis. The remuneration committee may determine at any time before an Award vests that some or all of the Shares under an Award shall or may be exchanged for Shares in the acquiring company or on such terms as the remuneration committee shall agree with that company.

12.1.9 Individual Grant Limits

The maximum aggregate value of Awards which an Executive Director may be granted in respect of any financial year shall be no higher than as specified in the Company's directors' remuneration policy, as approved by shareholders from time to time.

12.1.10 LTIP Limits

No Award may be granted under the LTIP to the extent that the result of that grant would be that the aggregate number of Shares which could be issued on the realisation of that Award and any other Award granted at the same time, when added to the number of Shares that:

- (A) (i) could be issued on the realisation of any subsisting Awards or Options granted during the preceding ten years under the LTIP or any other employees' share scheme established by the Company; and (ii) have been issued on the realisation of any Awards or Options granted during the preceding ten years under the LTIP or any other employees' share scheme established by the Company, would exceed 10 per cent of the ordinary share capital of the Company for the time being in issue; or
- (B) (i) could be issued on the realisation of any subsisting Awards or Options granted during the preceding ten years under the LTIP or any other discretionary share plans adopted by the Company; and (ii) have been issued on the realisation of any Awards or Options granted during the preceding ten years under the LTIP or any other discretionary share plans adopted by the Company, would exceed 5 per cent of the ordinary share capital of the Company for the time being in issue.

Treasury shares will be treated for this purpose as if they were issued shares and will count towards the above limits for as long as institutional shareholder guidance recommends such treatment.

The LTIP limits outlined above will begin to be calculated at the point of Admission.

12.1.11 Transactions affecting the value of Awards

If the remuneration committee becomes aware that the company is or is expected to be affected by a demerger, dividend in specie, super-dividend or any other transaction which, in the opinion of the remuneration committee, would affect the current or future value of any Awards, the remuneration committee may adjust the number of Shares in respect of which an Award will vest.

12.1.12 Malus and Clawback

The remuneration committee will have discretion to reduce or cancel any portion of an unvested Award in certain circumstances. The remuneration committee may also apply “clawback” in certain circumstances to reclaim, or require the repayment of, an Award that has already vested. The vesting of Awards may be delayed where the company is in the process of determining the application of malus.

The circumstances in which these provisions may apply include but are not limited to: (i) material financial misstatement, (ii) significant reputational damage; (iii) negligence or gross misconduct by a participant; (iv) fraud effected by or with the knowledge of a participant; (v) material corporate failure; or (vi) where Awards were granted or vested based on erroneous or misleading data.

The remuneration committee may exercise its discretion to clawback Awards for up to three years following vesting of an Award.

The recovery and withholding may be satisfied by way of a reduction in the amount of any future bonus, subsisting award or future share awards and/or a requirement to make a cash payment.

12.1.13 Amendments

The remuneration committee may amend the rules of the LTIP at any time, provided that the provisions governing (i) eligibility requirements; (ii) the limitations on the number of Shares subject to the LTIP; (iii) the maximum entitlement of a participant under the LTIP; (iv) the basis for determining a participant’s entitlement to Shares under the LTIP; (v) the terms of the Shares to be provided under the LTIP; and (vi) the adjustment provisions of the LTIP, cannot be altered to the advantage of eligible employees or participants without the prior approval of shareholders in a general meeting (except for minor amendments to benefit the administration of the LTIP, to take account of a change in legislation or developments in the law affecting the LTIP or to obtain or maintain favourable tax, exchange control or regulatory treatment for participants in the LTIP or for any member of the Group).

A schedule has been included to the LTIP with respect to Awards made to US taxpayers to reflect jurisdiction specific provisions.

Additional schedules to the rules of the LTIP can be adopted for the purposes of granting awards to employees who are or may become primarily liable to tax outside the United Kingdom on their remuneration. These schedules may vary the rules of the LTIP to take account of any tax, exchange control, securities laws or other regulations.

12.1.14 Benefits not pensionable

Awards granted under the LTIP are not pensionable.

12.1.15 IPO Awards

As outlined at paragraph 11.4 (*Long-Term Incentive Plan and IPO Awards*) of this Part 14 (*Additional Information*), it is expected that IPO Awards will be granted under the LTIP shortly after Admission. Performance Share Awards will be granted to the CEO and CFO over Shares with a face value of 300% of their respective base salaries. Members of the Global Leadership Team will also be granted Performance Share Awards over Shares with a face value of 150% of their respective base salaries. In each case the face value of the Award will be calculated using the Offer Price. The performance conditions that will apply to these Performance Share Awards are as described at paragraph 11.4 (*Long-Term Incentive Plan and IPO Awards*) of this Part 14 (*Additional Information*).

In addition, Restricted Share Awards will be granted to employees below the Global Leadership Team with half of the Award vesting 18 months from the date of grant and half vesting 36 months after the date of grant.

12.2 *Save As You Earn Scheme*

12.2.1 General

The Dr. Martens plc Save As You Earn Scheme (the “SAYE Scheme”) will be adopted on Admission. The Board will supervise the operation of the SAYE Scheme.

The SAYE Scheme is a UK “all employee” share option plan, which is intended to satisfy the requirements of Schedule 3 to the UK Income Tax (Earnings and Pensions) Act 2003 as amended and re-enacted from time to time in order to provide UK tax-advantaged options to UK employees.

12.2.2 Eligibility

Any employee (including any Executive Director) of the Company or any participating company in the Group who has been employed for a qualifying period of such length as the Board may determine from time to time (but not exceeding five years), and any other employee who is nominated by the Board, is eligible to participate in the SAYE Scheme.

12.2.3 Savings contracts and options

An eligible employee who applies for an option under the SAYE Scheme must enter into a savings-related contract approved by HMRC for a specified period of three or five years. Under this contract, the employee agrees to make monthly savings contributions of a fixed amount, currently of not less than £5 and not more than £500 per month. Upon expiry of the contract, the employee may elect to apply the proceeds of the contract to exercise the option and acquire Shares. Alternatively, the employee may choose to withdraw the proceeds of the contract. In addition, upon expiry of the contract, the employee may receive a tax-free bonus which can either be used to exercise the option or be withdrawn.

Options may be granted at a discount of up to 20 per cent. to the market value of Shares at the time of grant. Invitations to apply for options may normally be issued on any date which falls within the period of 42 days starting on: (a) the date of adoption of the SAYE Scheme; (b) the date of Admission, (c) the announcement of the Company’s results for any period (including any trading update), or (d) any day on which the Board resolves that exceptional circumstances exist which justify the grant of options.

Options granted under the SAYE Scheme are personal to the option holder and, except on the death of the option holder, may not be transferred.

12.2.4 Limits

No option to subscribe for Shares may be granted under the SAYE Scheme to the extent that the result of that grant would be that the aggregate number of Shares which could be issued on the realisation of that option and any other option granted at the same time, when added to the number of Shares that:

- (i) could be issued on the realisation of any subsisting share options, awards or other rights granted during the preceding ten years under the SAYE Scheme or any other employees’ share scheme established by the Company; and
- (ii) have been issued on the exercise of any share options, awards or other rights granted during the preceding ten years under the SAYE Scheme or any other employees’ share scheme established by the Company; and
- (iii) have been issued during the preceding ten years under any profit sharing scheme, employee incentive scheme (other than an SAYE scheme) or other employees’ share scheme,

would exceed 10 per cent of the ordinary share capital of the Company for the time being in issue.

Treasury shares will be treated for this purpose as if they were issued shares and will count towards the above limits for as long as institutional shareholder guidance recommends such treatment.

12.2.5 Exercise of options

An option may not normally be exercised until the option holder has completed his or her savings contract (usually three or five years from the date of commencement of the savings contract) and then not more than six months thereafter.

If the participant dies or leaves employment prior to the completion of their savings contract by reason of retirement, redundancy, injury, disability or because the company or business which employs the option holder is transferred out of the Group, special provisions allow early exercise. If an option holder ceases employment for any other reason within three years of the grant of the option, his or her option will cease to be exercisable. Special provisions also allow early exercise in the event of a reconstruction or winding-up of the Company.

12.2.6 Variation of capital

In the event of any variation of share capital, the Board may make such adjustments as it considers appropriate to the number of Shares under option and the price at which they may be acquired.

12.2.7 Amendments to the SAYE Scheme

The Board may at any time amend or discontinue the grant of further options or amend any of the provisions of the SAYE Scheme in any respect, except where any amendment would materially prejudice the interest of option holders without their prior consent. The Board may not cancel an option unless the option holder agrees in writing to such cancellation.

The Board may amend the rules of the SAYE Scheme at any time, provided that the provisions governing (i) eligibility requirements; (ii) the limitations on the number of Shares subject to the SAYE Scheme; (iii) the maximum entitlement of a participant under the SAYE Scheme; (iv) the basis for determining a participant's entitlement to Shares under the SAYE Scheme; (v) the terms of the Shares to be provided under the SAYE Scheme; and (vi) the adjustment of options in the event of a capital reorganisation, cannot be altered to the advantage of eligible employees or participants without the prior approval of shareholders in a general meeting (except for minor amendments to benefit the administration of the SAYE Scheme, to take account of a change in legislation or developments in the law affecting the SAYE Scheme or to obtain or maintain favourable tax, exchange control or regulatory treatment for participants in the SAYE Scheme or for any member of the Group).

Additional schedules to the rules of the SAYE Scheme can be adopted for the purpose of granting options to eligible employees who are or may become primarily liable to tax in jurisdictions outside of the United Kingdom on their remuneration. These schedules may vary the rules of the SAYE Scheme to take account of any tax, exchange control or securities laws.

12.2.8 Benefits not pensionable

Benefits under the SAYE Scheme are not pensionable.

12.3 *Share Incentive Plan*

12.3.1 General

The Dr. Martens plc Share Incentive Plan (the "SIP") will be adopted on Admission.

The SIP is a UK "all employee" share plan, which is intended to comply with and be operated within the requirements of Schedule 2 to the Income Tax (Earnings and Pensions) Act 2003 ("Schedule 2") as amended and re-enacted from time to time in order to provide UK tax-advantaged participation to UK employees.

12.3.2 Administration

The Board will supervise the operation of the SIP. The SIP is constituted by a trust deed and rules, the trustee of which is an independent trustee. The SIP is administered by the trustee in accordance with the trust deed and its rules. The Board may appoint and remove the trustee in accordance with the trust deed and rules.

12.3.3 Eligibility

Any employee of Dr. Martens plc or any participating group company who is a UK resident taxpayer and has been employed for the requisite qualifying period (not exceeding the period specified from time to time by HMRC) is eligible to participate in the SIP. The Board may allow non-UK tax resident taxpayers to participate. All eligible employees must be invited to participate in the SIP.

12.3.4 Awards

If the Board decides to make awards under the SIP, eligible employees will be entitled to participate in the SIP on similar terms. The Board can operate the SIP in a number of ways. It can:

- (a) make an award of Free Shares; and/or
- (b) give eligible employees the opportunity to invest in Partnership Shares; and/or
- (c) make an award of Matching Shares to those eligible employees who have invested in Partnership Shares; and/or

- (d) require or allow eligible employees to re-invest dividends paid on their Free Shares, Partnership Shares and/or Matching Shares.

12.3.5 Participation

Employees are able to participate only if they enter into a contract with the Company and, when the SIP is to operate over Partnership Shares with or without Matching Shares, if they agree to the acquisition of Shares with contributions from their gross salary by the trustee on their behalf.

(a) Free Shares

Eligible employees may be awarded Free Shares worth up to the maximum statutory limit which is currently £3,600 in each tax year. If the Company wishes, the award of Free Shares can be based on the achievement of performance measures which must be fair and objective. Otherwise Free Shares must be awarded to eligible employees on the same terms, although awards can vary by reference to remuneration, length of service or hours worked.

Free Shares must be held by the trustee for a holding period of up to five years, to be determined by the Board. Free Shares may be forfeited in certain circumstances, notably if the employee leaves relevant employment within a period not exceeding three years to be determined by the Board unless their employment is terminated by reason of injury or disability, redundancy, where the company or business which employs the participant is transferred out of the Group, or if there is a change in control of the Company, retirement or death.

(b) Partnership Shares

Eligible employees may purchase Partnership Shares worth up to the maximum statutory limit which is currently £1,800 in any tax year (or 10% of the eligible employee's salary, if lower). The funds used to purchase the Partnership Shares will be deducted from the employee's gross salary. Partnership Shares may be withdrawn from the SIP at any time and will not be subject to forfeiture. The Board may permit eligible employees to instruct the trustee to buy Partnership Shares on their behalf, either out of deductions from their gross salary accumulated over a period of up to 12 months (an accumulation period); or monthly (or at other intervals) out of their gross salary.

(c) Matching Shares

The Board may permit the trustee to award up to two Matching Shares for each Partnership Share purchased (or such other maximum ratio as permitted by legislation). Matching Shares must be held by the trustee for a holding period of up to five years to be determined by the Board, as with Free Shares.

Matching Shares may be forfeited in certain circumstances if a participant ceases to be employed by the Group as outlined above for Free Shares, or the participant chooses to withdraw his or her Partnership Shares from the SIP within a period to be determined by the Board of not more than three years.

(d) Dividend Shares

The Board may permit dividends received on Shares held in the SIP to be reinvested in additional Shares ("Dividend Shares"). The Dividend Shares will not be subject to forfeiture and must be held for a minimum of three years before they can be sold.

12.3.6 Tax benefits

If participants keep their Free, Partnership and Matching Shares in the SIP for five years (three years for Dividend Shares), there will be no income tax or National Insurance contributions to pay. If participants cease to be employed because of injury, disability, redundancy, the company or business which employs the participant is transferred out of the Group, there will be no income tax or National Insurance contributions to pay. In other circumstances, participants will be liable to pay income tax and National Insurance contributions.

The amount on which a participant will pay tax will depend on how long their Free, Partnership and Matching Shares have been held and the terms of the SIP. If Dividend Shares are withdrawn from the SIP before the third anniversary of their acquisition, the participant may be liable to income tax in respect of the cash value of the original dividend.

No capital gains tax will be payable while the Shares are held in the SIP.

12.3.7 Operation

In each year that the Board decides to operate the SIP over Free or Matching Shares, participating Group companies will provide the trustee with funds to enable the trustee to buy Shares in the market or to buy new issue or treasury shares from the Company by subscription to be appropriated as Free Shares and/or Matching Shares to eligible employees who agree to participate in the SIP. The funds made available, and the amount available for each individual employee, may be determined by reference to any objective performance criteria adopted by the Board.

12.3.8 Individual limits

The maximum value of Shares which may be received by an employee under the SIP under Schedule 2 is:

- (a) Free Shares: currently £3,600 per tax year;
- (b) Partnership Shares: currently £150 per month or £1,800 per annum (or 10% of salary, if lower);
- (c) Matching Shares: two Shares for each Partnership Share.

There is no limit under Schedule 2 on the number of Dividend Shares which may be purchased on behalf of participants.

12.3.9 Limits

No award may be granted under the SIP to the extent that the result of that grant would be that the aggregate number of Shares which could be issued on the realisation of that award and any other award granted at the same time, when added to the number of Shares that:

- (i) have been issued during the preceding ten years under the SIP; and
- (ii) could be issued on the realisation of any subsisting awards or options granted during the preceding ten years under any other employees' share scheme established by the Company or other member of the Group; and
- (iii) have been issued on the realisation of any awards or options granted during the preceding ten years under any other employees' share scheme established by the Company or other member of the Group; and
- (iv) have been issued during the preceding ten years under any associated plan or other employee share incentive scheme established by the Company or other member of the Group,

would exceed 10 per cent of the ordinary share capital of the Company for the time being in issue.

Treasury shares will be treated for this purpose as if they were issued shares and will count towards the above limits for as long as institutional shareholder guidance recommends such treatment.

12.3.10 Dividends and voting rights

Participants are the beneficial owners of the Shares held by the trustee on their behalf. All dividends and other distributions received in respect of the Shares will be passed on to participants by the trustee as soon as practicable after receipt unless the Board decides to permit their reinvestment in Dividend Shares. The trustee will vote in accordance with the wishes of the participants if participants have given the trustee prior voting directions in writing.

12.3.11 Takeovers and variations of the Company's share capital

If a general offer is made to shareholders of the Company or there is a scheme of arrangement or a rights or capitalisation issue or other variation of the Company's share capital, participants will be able to instruct the trustee how to act or vote on their behalf.

12.3.12 Amendments to the SIP

The Board and the trustee may amend the SIP at any time in any respect except that no amendment may be made which would affect the status of the SIP as a Schedule 2 share incentive plan, or cause the Plan to cease to be an employees' share scheme. The provisions of the trust deed and rules of the SIP relating to eligibility, limits on the overall number of Shares to be made available under the SIP, the determination of the price at which the trustee subscribes for Shares, the rights attaching to Shares or the rights of participants on a winding-up may not, however, be amended to the advantage of existing or future participants without prior shareholder approval except that the Board and the trustee

may make minor amendments to benefit or facilitate the administration of the SIP, to take account of any change in legislation, or to maintain or obtain favourable tax, exchange or regulatory treatment of any Shares or of any participant or participating company.

No amendment may be made to the SIP which would adversely affect any right already acquired by a participant without their prior written consent.

Additional schedules to the rules of the SIP can be adopted for the purpose of granting Shares to employees who are or may become primarily liable to tax in jurisdictions outside of the United Kingdom on their remuneration. These schedules may vary the rules of the SIP to take account of any tax, exchange control or securities laws.

12.3.13 Benefits not pensionable

Any profits or gains made as a result of Shares acquired under the SIP are not pensionable.

13. 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 will be engaging with the trustees as part of good governance, to discuss the Group's increased leverage. However, the Company does not expect to need to provide additional financial support to the UK defined benefit pension plan as a result of the increased leverage from the New Facilities Agreement as the defined benefit pension plan is in surplus on the basis of a prudent set of actuarial assumptions.

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.

14. Underwriting arrangements

14.1 Underwriting Agreement

On 29 January 2021, the Company, the Directors, the Principal Shareholder, the SSE Agent and the Underwriters entered into the Underwriting Agreement. Pursuant to the Underwriting Agreement:

- 14.1.1 the Principal Shareholder and the SSE Agent (acting as agent for and on behalf of each of the Minority Selling Shareholders pursuant to the Deeds of Election) have agreed, subject to certain conditions, to sell the Existing Shares in the Offer at the Offer Price.
- 14.1.2 the Underwriters have severally agreed, subject to certain conditions, to procure purchasers for or, failing which, to purchase themselves the Existing Shares pursuant to the Offer;
- 14.1.3 Goldman Sachs, as Settlement Agent, will deduct from the proceeds of the Offer to the Principal Shareholder and the SSE Agent (acting as agent for and on behalf of each of the Minority Selling Shareholders pursuant to the Deeds of Election) a commission of 1.5% of the product of the Offer Price and the number of Shares sold in the Offer (including following any exercise of the Over-allotment Option but excluding any Shares sold by any Directors or Senior Managers);
- 14.1.4 in addition, the Principal Shareholder may, in its sole and absolute discretion, pay an additional commission of up to 1.25% of the product of the Offer Price and the number of Shares sold by it in the Offer (including following any exercise of the Over-allotment Option) and the SSE Agent shall, if so instructed by the Principal Shareholder, pay an additional commission of up to 1.25% of the product of the Offer Price and the number of Existing Shares sold by it (as agent for and on behalf of each of the Minority Selling Shareholders) in the Offer (excluding any Shares sold by any Directors or Senior Managers);
- 14.1.5 the obligations of the Underwriters to procure purchasers for or, failing which, themselves to purchase Shares on the terms of the Underwriting Agreement are subject to certain conditions. These conditions include the absence of any breach of representation or warranty under the Underwriting Agreement and Admission occurring on or before 8.00 a.m. on 3 February 2021 (or such later time and/or date as the Joint Global Co-ordinators and the Company may agree in writing). In addition, the Joint Global Co-ordinators have the right to terminate the Underwriting Agreement, exercisable in certain circumstances, prior to Admission;
- 14.1.6 Goldman Sachs, as Stabilising Manager, has been granted the Over-allotment Option by the Principal Shareholder pursuant to which it may purchase or procure purchasers for up to 52,500,005 Over-allotment Shares at the Offer Price for the purposes of covering short positions arising from over-allocations, if any, in connection with the Offer and/or from sales of Shares, if any, effected during the stabilising period. Except as required by law or regulation, neither the Stabilising Manager, nor any of its agents, intends to disclose the extent of any over-allotments and/or stabilising transactions conducted in relation to the Offer. The number of Over-allotment Shares to be transferred pursuant to the Over-allotment Option, if any, will be determined not later than 28 February 2021. Settlement of any purchase of Over-allotment Shares will take place shortly after such determination (or if acquired on Admission, at Admission). If any Over-allotment Shares are acquired pursuant to the Over-allotment Option, the Stabilising Manager will be committed to pay to the Principal Shareholder, or procure that payment is made to them of, an amount equal to the Offer Price multiplied by the number of Over-allotment Shares purchased from the Principal Shareholder, less commissions and expenses;
- 14.1.7 the Principal Shareholder and the SSE Agent (acting as agent for and on behalf of the Minority Selling Shareholders pursuant to the Deeds of Election) have agreed on a several basis to pay any stamp duty and/or stamp duty reserve tax arising on the sale to purchasers procured by the Underwriters or, where relevant to the Underwriters as principals, of their Shares, subject to certain exceptions including where stamp duty or stamp duty reserve tax is attributable to the fraud or wilful default of the Underwriters;
- 14.1.8 the Company has agreed to pay the costs, charges, fees and expenses of the Offer (together with any related value added tax);
- 14.1.9 each of the Company, the Directors, the Principal Shareholder and the SSE Agent have given certain representations, warranties and undertakings, subject to certain limitations, to the Underwriters;
- 14.1.10 the Company has given an indemnity to the Underwriters on customary terms; and

14.1.11 the parties to the Underwriting Agreement have given certain covenants to each other regarding compliance with laws and regulations affecting the making of the Offer in relevant jurisdictions.

14.2 *Stock lending agreement*

In connection with settlement and stabilisation, Goldman Sachs, as Stabilising Manager, has entered into a stock lending agreement with the Principal Shareholder. Pursuant to this agreement, the Stabilising Manager will be able to borrow up to a maximum of 52,500,005 Shares, being 15% of the total number of Shares comprised in the Offer (excluding the Shares subject to the Over-allotment Option) on Admission for the purposes, amongst other things, of allowing the Stabilising Manager to settle, on Admission, over-allotments, if any, made in connection with the Offer. If the Stabilising Manager borrows any Shares pursuant to the stock lending agreement, it will be required to return equivalent securities to the Principal Shareholder by no later than the third business day after the date that is the 30th day after the commencement of conditional dealings of the Shares on the London Stock Exchange.

14.3 *Orderly marketing agreement*

On 28 January 2021, the Principal Shareholder and the Griggs Shareholders entered into an agreement amongst themselves regulating the disposal of Shares by any of them following Admission (without prejudice to the terms of the lock-up arrangements described in Part 13 (*Details of the Offer—Lock-up Agreements*)), such that any disposals of Shares by the Principal Shareholder and the Griggs Shareholders following Admission may be coordinated and conducted in an orderly manner (the “Orderly Marketing Agreement”). The Orderly Marketing Agreement will terminate on the earlier of: (a) the date on which either the Principal Shareholder ceases to own or hold 3% or more of the Shares in issue; and (b) the fifth anniversary of Admission.

15. **Subsidiaries, investments and principal establishments**

15.1 *Subsidiaries and subsidiary undertakings*

The Company is the principal holding company of the Group. As at the date of this Prospectus, the subsidiaries and subsidiary undertakings of the Company (excluding any companies in liquidation) are as follows:

<u>Name</u>	<u>Country of incorporation</u>	<u>Ownership</u>	<u>Primary field of activity</u>
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 ⁽¹⁾	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 ⁽¹⁰⁾	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 ⁽¹¹⁾	Republic of Ireland	100%	Footwear retail and distribution
DM Germany GmbH ⁽¹²⁾	Germany	100%	Footwear retail and distribution
DM Sweden AB ⁽¹³⁾	Sweden	100%	Footwear retail and distribution
Dr Martens Italy SRL ⁽¹⁴⁾	Italy	100%	Footwear retail and distribution
Shanghai Airwair Trading Ltd ⁽¹⁵⁾	China	100%	Footwear retail and distribution
Dr. Martens Airwair Spain S.L.U ⁽¹⁶⁾	Spain	100%	Footwear retail and distribution
Dr Martens Sports & Leisure Limited ⁽¹⁾	England and Wales	100%	Dormant

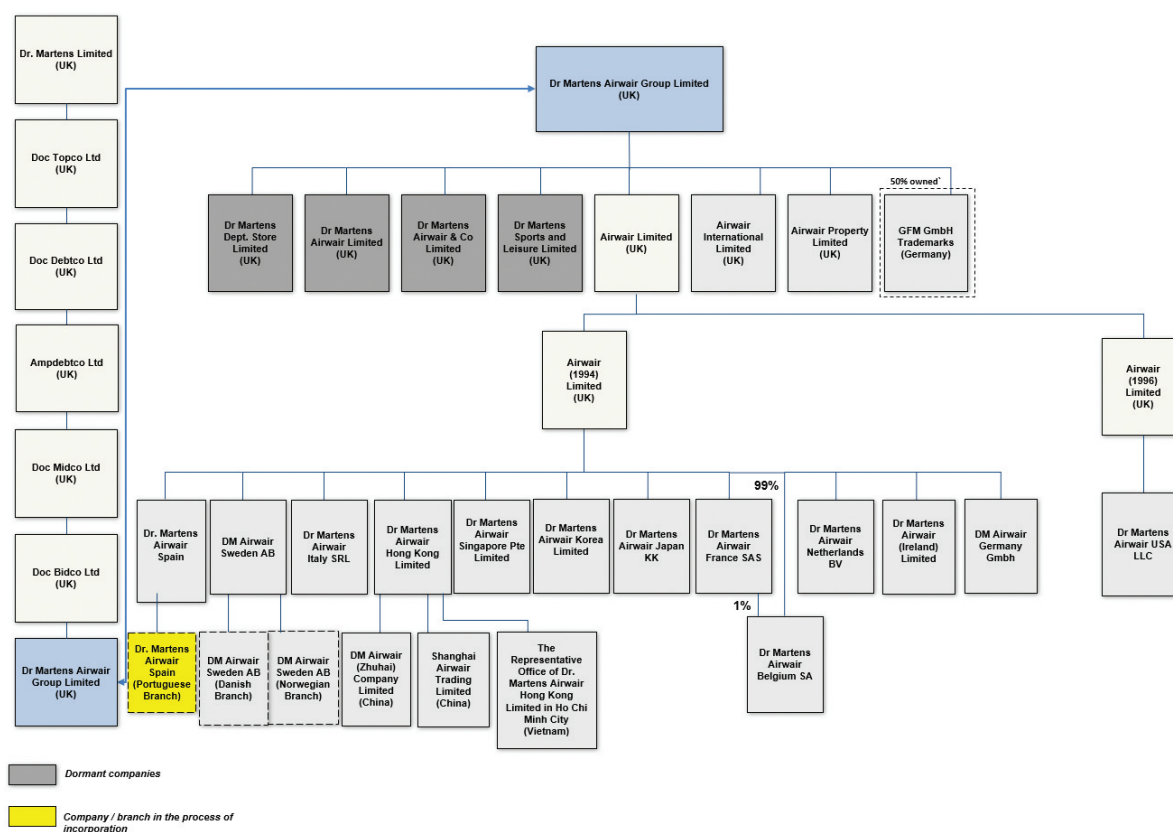
Name	Country of incorporation	Ownership	Primary field of activity
Dr Martens Airwair Singapore PTE Limited ⁽¹⁷⁾	Singapore	100%	Dormant
Dr Martens Airwair & Co Limited ⁽¹⁾	England and Wales	100%	Dormant
Dr Martens Dept. Store Limited ⁽¹⁾	England and Wales	100%	Dormant
Dr Martens Airwair Limited ⁽¹⁾	England 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, Harbour 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

Group structure

The following structure chart illustrates the Group structure as at the date of this Prospectus.



16. 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.

17. 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 Prospectus 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 Prospectus:

17.1 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 records 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.

17.2 Underwriting Agreement

The Underwriting Agreement described in paragraph 14.1 (*Underwriting Agreement*) of this Part 14 (*Additional Information*).

17.3 Relationship Agreement

The Relationship Agreement is described in Part 7 (*Directors, Senior Managers and Corporate Governance*).

17.4 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.

17.5 The Group's financing arrangements

17.5.1 Existing Facilities

Doc Midco Limited, an indirect subsidiary of the Company, Doc Bidco Limited (the "Existing Borrower"), the direct subsidiary of Doc Midco Limited 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" and together with the Term Loan Facilities, the "Existing Facilities").

As at 29 November 2020, an aggregate principal amount equal to £67.0 million was outstanding under the Term Loan Facilities and, as at 29 November 2020, there were no cash drawings under the RCF.

The Group intends to refinance all amounts outstanding under the Senior Facilities Agreement with the New Facilities following Admission.

17.5.2 New Facilities

On 23 December 2020, Ampdebtco Limited (the "Borrower"), Barclays Bank PLC, Bank of America Europe Designated Activity Company, The Governor and Company of the Bank of Ireland, Goldman Sachs Bank Europe SE, HSBC UK Bank plc, Morgan Stanley Bank International Limited, National Westminster Bank Plc, Royal Bank of Canada, Raiffeisen Bank International AG and Santander UK plc as mandated lead arrangers (the "Mandated Lead Arrangers") and financial institutions listed therein as underwriters entered into a commitment letter providing commitments for: (i) a term loan facility of €337.5 million ("New Senior Facility B") determined by reference to the average rate of exchange for the purchase of euro with pound sterling in the London foreign exchange market during the three-day period immediately prior to the date of the New Facilities Agreement (as defined below); and (ii) a £200.0 million multi-currency revolving credit facility (the "New RCF" and together with New Senior Facility B, the "New Facilities").

New Facilities Agreement

On 27 January 2021, the Borrower, the Mandated Lead Arrangers, the financial institutions listed therein as original lenders (the “Original Lenders”), HSBC Bank plc as agent (the “Agent”) and HSBC Corporate Trustee Company (UK) Limited as security agent (the “Security Agent”) entered into an English law governed senior facilities agreement pursuant to which the Original Lenders will make the New Facilities available to the Borrower (the “New Facilities Agreement”).

The termination date for New Senior Facility B and the New RCF will be five years from the date of first utilisation of either of the New Facilities (the “Closing Date”). New Senior Facility B is repayable by a bullet repayment on the termination date. Commitments under the New RCF will be available to take the form of cash loans, ancillary facilities and letters of credit.

Pursuant to the New Facilities Agreement, the Borrower shall be permitted to use the borrowings under New Senior Facility B to finance directly or indirectly, including by way of on-lending to any of its subsidiaries (together with the Borrower, the “Borrower Group”): (a) the refinancing, redemption, discharge and/or acquisition of existing indebtedness of the Borrower Group (including under the Existing Facilities Agreement, shareholder loans and hedging) and to pay breakage costs, make-whole, prepayment premium and/or close-out costs and any other fees, costs and expenses related to such refinancing, redemption, discharge and/or acquisition finance; (b) making payments (directly or indirectly) to certain shareholders of the Borrower (including by way of dividend or other distribution or the payment of interest on, or the repayment of the principal of an intragroup loan or the making of any up-stream loan or reduction of capital (or any combination thereof)); (c) the payment of fees, commissions, costs, expenses and stamp, registration and other taxes arising or incurred in connection with the Admission and any related transaction, operational restructuring or permitted re-organisations of the Borrower Group and certain of its holding companies and working capital related adjustments (however structured) relating to or arising in connection with the Admission; (d) fees, costs and expenses arising or incurred in connection the negotiation, preparation, execution, notarisation, syndication and registration of the Finance Documents (as such term is defined in the New Facilities Agreement (the “Finance Documents”)); and (e) the fees, commissions, costs and expenses incurred in connection therewith.

The New Facilities Agreement will permit the Borrower to use amounts borrowed under the New RCF towards (directly or indirectly, including by way of on-lending to any member of the Borrower Group) financing or refinancing the general corporate and/or working capital purposes of the Borrower Group including, without limitation: (a) for any acquisition, investment, joint venture, operational restructuring, reorganisations, capital expenditure, payment of any stamp, registration and other taxes arising or incurred in connection with Admission, and/or payment of any fees, costs and expenses arising or incurred in connection with the negotiation, preparation, execution, notarisation, syndication and registration of the Finance Documents; and (b) the rolling over, financing, refinancing or backstopping of any existing ancillary facilities, letters of credit or bank guarantees or providing cash collateral or other credit support for any existing ancillary facilities, letters of credit or bank guarantees and financing costs relating to such cash collateral, other credit support or the existing ancillary facilities, letters of credit or bank guarantees.

It is intended that (a) the Existing Facilities will be repaid and (b) the full amount of New Senior Facility B will be drawn on Admission.

The New Facilities will bear interest at a rate per annum equal to EURIBOR (or LIBOR, as applicable) (in each case, subject to zero floor) plus a margin determined by reference to Senior Secured Net Leverage (calculated in accordance with the terms of the New Facilities Agreement). In connection with the New Facilities, the Borrower will be required to pay to the lenders and/or certain other finance parties an arrangement fee and certain other customary fees and expenses.

The Borrower may, upon not less than three business days’ prior notice to the Agent (subject to certain exceptions), cancel and/or voluntarily prepay outstanding loans without penalty or premium (but including any break fees) under the New Facilities Agreement.

With respect to the New Facilities, the Borrower will also be required under a financial covenant to maintain a maximum total net leverage ratio not in excess of 3.50:1 (stepping down to 3.00:1 after 24 months have elapsed after the Closing Date), to be tested twice annually (at the end of each financial half-year period and at the end of each financial year, with the first test date on 30 September 2021), subject to equity cure provisions and a financial covenant acquisition adjustment. A financial covenant acquisition adjustment would permit the Borrower (subject to certain conditions and on no more than two occasions prior to the termination date in respect of the New Senior Facility B) to elect

to increase by 0.25:1 the total net leverage level which would otherwise apply under the financial covenant.

Incremental Facilities

Subject to certain conditions, the New Facilities Agreement will permit the Borrower (subject to the receipt of commitments) to increase New Senior Facility B and/or the New RCF and/or add one or more additional facilities (i.e., an incremental facility) under the New Facilities Agreement at any time without the consent of any Finance Party (as such term is to be defined therein) in an aggregate amount (in respect of both term loans and revolving loans) equal to: (i) an unlimited amount so long as, in respect of the incurrence of incremental facilities ranking *pari passu* with the New Facilities, on a pro forma basis Senior Secured Net Leverage (as such term is to be defined in the New Facilities Agreement) would not exceed 1.50:1 (or, if being incurred in connection with a permitted acquisition or similar investment, would not exceed the Senior Secured Net Leverage immediately prior to giving effect to such permitted acquisition or similar investment) plus (ii) all prepayments and debt buybacks of any incremental facility (to the extent accompanied, in the case of any revolving facility, by a permanent reduction in the commitments with respect thereto), plus (iii) the greater of €125.0 million and 50% of EBITDA (as such term is to be defined in the New Facilities Agreement) on a last twelve months basis (which amount in paragraph (iii) will be available at all times (to the extent not used) and not subject to a ratio test).

Mandatory Prepayment—Change of Control

The New Facilities Agreement shall provide for mandatory prepayment in the event of a Change of Control (as such term is to be defined therein). Other than a Change of Control, or if it becomes unlawful for any lender to perform its obligations under the New Facilities Agreement, there shall be no other circumstances that shall require a mandatory prepayment under the New Facilities Agreement.

In the case of the occurrence of a Change of Control, the Borrower shall promptly notify the Agent of such occurrence of such an event, upon which each lender under the New Facilities Agreement shall have 15 business days to exercise an individual right: (i) on five business days' notice to the Borrower, to cancel all its undrawn commitments; and (ii) on 60 days' notice to the Borrower, to require that all its outstanding participations in utilisations are repaid with accrued interest and any other amounts accrued to that lender under the Finance Documents (as such term is to be defined therein).

Security

The New Facilities under the New Facilities Agreement are to be secured by a security package established in favour of the Security Agent under the New Intercreditor Agreement (as defined below), consisting of security interests customary for this type of transactions and to be limited to: (i) an English law security agreement granted by the Borrower on or about the Closing Date in respect of: (a) shares in its direct subsidiaries; and (b) material structural intragroup receivables owed to it by any members of the Borrower Group; and (ii) an English law share security agreement granted within 180 days of the Closing Date in respect of the entire issued share capital of the Borrower. Certain other security interests will be required to be granted by members of the Borrower Group pursuant to the terms of the New Facilities Agreement, with security being limited to security over shares in borrowers or Material Subsidiaries (as such term is to be defined therein) and security over certain material structural intragroup loan receivables. Security will only be required to be granted in security jurisdictions which include England and Wales, the United States, any State thereof or the District of Columbia, France, Hong Kong, Japan and Singapore.

New Intercreditor Agreement

In order to establish the relative rights of the Borrower's creditors under its financing arrangements, the Borrower, together with any other entity which accedes as a debtor (together, the Debtors) will, among others, enter into an English law governed intercreditor agreement dated 27 January 2021 (the New Intercreditor Agreement) with, among others, the Agent and the Security Agent. The New Intercreditor Agreement will set out, among other things, the relative ranking of certain indebtedness of the Debtors, the relative ranking of certain security granted by the Debtors, when payments can be made in respect of certain indebtedness of the Debtors, when enforcement action can be taken in respect of that indebtedness and the terms pursuant to which certain of that indebtedness will be subordinated upon the occurrence of certain insolvency events and turnover provisions.

17.6 *Cornerstone Agreements*

On 22 January 2021, the Company and the Principal Shareholder entered into agreements with each of BlackRock Investment Management (UK) Limited, as agent for funds and accounts under its management (the “BlackRock Funds”), Henderson Global Investors Limited (“Henderson”) and Merian Global Investors (UK) Limited and Jupiter Asset Management Limited, as agents for funds managed by Merian Global Investors and Jupiter Asset Management (“Merian - Jupiter”), pursuant to which the BlackRock Funds irrevocably agreed to purchase £250 million of Shares, Henderson irrevocably agreed to purchase £100 million of Shares and Merian - Jupiter irrevocably agreed to purchase £75 million of Shares, each in the Offer at the Offer Price.

The Principal Shareholder, on behalf of each of the Selling Shareholders, has agreed to procure such Shares to be delivered to each of the BlackRock Funds, Henderson and Jupiter - Merian (the “Cornerstone Investors”). The obligation of the Cornerstone Investors to purchase such Shares in the Offer is conditional upon Admission and certain other conditions being satisfied, and will terminate if such conditions have not been fulfilled or, in certain circumstances, waived by the relevant Cornerstone Investor, on or before 19 February 2021. The relevant agreements contain customary warranties from the Cornerstone Investors, the Company and the Principal Shareholder.

18. **UK Taxation**

The following statements are intended only as a general guide to certain UK tax considerations and do not purport to be a complete analysis of all potential UK tax consequences of acquiring, holding or disposing of Shares. They are based on current UK law and what is understood to be the current practice of HMRC as at the date of this Prospectus, both of which may change, possibly with retroactive effect. They apply only to Shareholders who are resident and, in the case of individuals domiciled, for tax purposes in (and only in) the UK, who hold their Shares as an investment (other than where a tax exemption applies, for example where the Shares are held in an individual savings account or exempt pension arrangement) and who are the absolute beneficial owner of both the Shares and any dividends paid on them. The tax position of certain categories of Shareholders who are subject to special rules is not considered and it should be noted that they may incur liabilities to UK tax on a different basis to that described below. This includes persons acquiring their Shares in connection with employment, dealers in securities, insurance companies, collective investment schemes, charities, exempt pension funds, temporary non-residents and non-residents carrying on a trade, profession or vocation in the UK.

The tax legislation of England and Wales and the tax legislation of the jurisdiction of prospective investors may have an impact on the income received from the Shares.

The statements summarise the current position and are intended as a general guide only. Prospective investors who are in any doubt as to their tax position or who may be subject to tax in a jurisdiction other than the UK are strongly recommended to consult their own professional advisers.

(a) *Taxation of dividends*

The Company is not required to withhold UK tax when paying a dividend. Liability to tax on dividends will depend upon the individual circumstances of a Shareholder.

(i) *UK resident individual Shareholders*

Under the current UK tax rules specific rates of tax apply to dividend income. These include a nil rate of tax (the “nil rate band”) for the first £2,000 of non-exempt dividend income in any tax year and different rates of tax for dividend income that exceeds the nil rate band. No tax credit attaches to dividend income. For these purposes “dividend income” includes UK and non UK source dividends and certain other distributions in respect of shares.

An individual Shareholder who is resident for tax purposes in the UK and who receives a dividend from the Company will not be liable to UK tax on the dividend to the extent that (taking account of any other non-exempt dividend income received by the Shareholder in the same tax year) that dividend falls within the nil rate band.

To the extent that (taking account of any other non-exempt dividend income received by the Shareholder in the same tax year) the dividend exceeds the nil rate band, it will be subject to income tax at 7.5% to the extent that it falls below the threshold for higher rate income tax. To the extent that (taking account of other non-exempt dividend income received in the same tax year) it falls above the threshold for higher rate income tax then the dividend will be taxed at 32.5% to the extent that it is within the higher rate band, or 38.1% to the extent that it

is within the additional rate band. For the purposes of determining which of the taxable bands dividend income falls into, dividend income is treated as the highest part of a Shareholder's income. In addition, dividends within the nil rate band which would (if there was no nil rate band) have fallen within the basic or higher rate bands will use up those bands respectively for the purposes of determining whether the threshold for higher rate or additional rate income tax is exceeded.

(ii) *UK resident corporate Shareholders*

It is likely that most dividends paid on the Shares to UK resident corporate shareholders would fall within one or more of the classes of dividend qualifying for exemption from corporation tax. However, it should be noted that the exemptions are not comprehensive and are also subject to anti-avoidance rules.

(b) *Taxation of disposals*

A disposal or deemed disposal of Shares by a Shareholder who is resident in the UK for tax purposes may, depending upon the Shareholder's circumstances and subject to any available exemption or relief (such as the annual exempt amount for individuals), give rise to a chargeable gain or an allowable loss for the purposes of UK taxation of capital gains.

(c) *Stamp Duty and Stamp Duty Reserve Tax ("SDRT")*

(i) *The Offer*

The transfer of, or agreement to transfer, Shares sold by the Selling Shareholders under the Offer will generally give rise to a liability to UK stamp duty and/or SDRT at a rate of 0.5% of the Offer Price (in the case of stamp duty, rounded up to the nearest multiple of £5). The Selling Shareholders have agreed to meet such liability.

(ii) *Subsequent transfers*

Stamp duty at the rate of 0.5% (rounded up to the next multiple of £5) of the amount or value of the consideration given is generally payable on an instrument transferring Shares. A charge to SDRT will also arise on an unconditional agreement (or a conditional agreement which subsequently becomes unconditional) to transfer Shares (at the rate of 0.5% of the amount or value of the consideration payable). However, if within six years of the date of the agreement becoming unconditional an instrument of transfer is executed pursuant to the agreement, and stamp duty is paid on that instrument, any SDRT already paid will be refunded (generally, but not necessarily, with interest) provided that a claim for repayment is made, and any outstanding liability to SDRT will be cancelled. The liability to pay stamp duty or SDRT is generally satisfied by the purchaser or transferee. An exemption from stamp duty is available on an instrument transferring Shares where the amount or value of the consideration is £1,000 or less, and it is certified on the instrument that the transaction effected by the instrument does not form part of a larger transaction or series of transactions for which the aggregate consideration exceeds £1,000.

Paperless transfers of Shares, such as those occurring within CREST, are generally liable to SDRT rather than stamp duty, at the rate of 0.5% of the amount or value of the consideration. CREST is obliged to collect SDRT on relevant transactions settled within the system. The charge is generally borne by the purchaser, but certain persons known as "*accountable persons*" may have compliance and payment obligations with respect to certain SDRT liabilities. Under the CREST system, no stamp duty or SDRT will arise on a transfer of Shares into the system unless such a transfer is made (or deemed to be made) for a consideration in money or money's worth, in which case a liability to SDRT (usually at a rate of 0.5%) will arise.

In cases where Shares are transferred to a connected company (or its nominee), SDRT (or stamp duty) may be chargeable on the higher of (i) the amount or value of the consideration and (ii) the market value of the Shares.

(iv) *Shares held through Clearance Systems or Depositary Receipt Arrangements*

Special rules apply where Shares are issued or transferred to, or to a nominee or agent for, either a person whose business is or includes issuing depositary receipts or a person providing a clearance service. SDRT or stamp duty may be charged at a rate of 1.5% with subsequent transfers within the clearance service or transfers of depositary receipts then being free from SDRT or stamp duty. HMRC accept that this charge is in breach of EU law so far as it applies to new issues of shares or transfers that are an integral part of a capital raising, and HMRC have confirmed that they accept that the 1.5% charge will remain disapplied in those circumstances following Brexit (and following the end of the Brexit transition period) and that this will remain the position unless the stamp taxes on shares legislation is amended. HMRC's published view is that the 1.5% SDRT or stamp duty charge continues to apply to other transfers of shares into a clearance service or depositary receipt arrangement, although this has been disputed. Further litigation indicates that certain transfers of legal title to

clearance services in connection with listing, but not integral to a new issue, are also not chargeable. **In view of the continuing uncertainty, specific professional advice should be sought before incurring a 1.5% stamp duty or stamp duty reserve tax charge in any circumstances.**

The statements in this paragraph (c) apply to any holders of Shares irrespective of their residence, summarise the current position and are intended as a general guide only. Special rules apply to agreements made by, amongst others, intermediaries.

(d) Inheritance Tax

The Shares will be assets situated in the UK for the purposes of UK inheritance tax. A gift of such assets by, or the death of, an individual holder of such assets may (subject to certain exemptions and reliefs) give rise to a liability to UK inheritance tax even if the holder is neither domiciled in the UK nor deemed to be domiciled there under certain rules relating to long residence or previous domicile. For inheritance tax purposes, a transfer of assets at less than full market value may be treated as a gift and particular rules apply to gifts where the donor reserves or retains some benefit.

Special rules also apply to close companies and to trustees of settlements who hold Shares, bringing them within the charge to inheritance tax. Shareholders should consult an appropriate tax adviser if they make a gift or transfer at less than market value or intend to hold any Shares through trust arrangements.

19. US Federal Income Taxation

CERTAIN US FEDERAL INCOME TAX CONSIDERATIONS

The following discussion is a general summary based on present law of certain US federal income tax considerations relevant to the ownership and disposition of Shares. This discussion is not a complete description of all tax considerations that may be relevant to a prospective investor; it is not a substitute for tax advice. It applies only to US Holders (as defined below) that purchase Shares in the Offer, will hold Shares as capital assets and use the US dollar as their functional currency.

This discussion does not describe all of the tax considerations that may be relevant in light of the US Holder's particular circumstances, including tax consequences applicable to US Holders subject to special rules, such as banks or other financial institutions, insurance companies, tax-exempt entities, dealers, traders in securities that elect to mark-to-market, regulated investment companies, real estate investment trusts, partnerships and other pass-through entities (including S-corporations), US expatriates, persons liable for alternative minimum tax, persons that directly, indirectly or constructively own 10% or more of the total combined voting power of the Company's voting stock or of the total value of the Company's equity interests, investors that will hold Shares in connection with a permanent establishment or fixed base outside the United States, or investors that will hold Shares as part of a hedge, straddle, conversion, constructive sale or other integrated financial transaction. This summary also does not address US federal taxes other than the income tax (such as the Medicare surtax on net investment income or estate or gift taxes) or US state and local, or non-US tax laws or considerations.

As used in this section, "US Holder" means a beneficial owner of Shares that is, for US federal income tax purposes: (i) a citizen or individual resident of the United States, (ii) a corporation, or other entity taxable as a corporation, created or organised in or under the laws of the United States, any state thereof or the District of Columbia, (iii) a trust subject to the control of one or more US persons and the primary supervision of a US court; or (iv) an estate the income of which is subject to US federal income taxation regardless of its source.

The US federal income tax treatment of a partner in a partnership (or other entity or arrangement treated as a partnership for US federal income tax purposes) that holds Shares generally will depend on the status of the partner and the activities of the partnership. Prospective purchasers that are partnerships should consult their own tax advisers regarding the specific US federal income tax consequences to their partners of the partnership's acquisition, ownership and disposition of Shares.

The Company believes and, except as described in section 18.3 below, the following discussion assumes, that the Company was not in its most recent prior taxable year, is not presently and will not become a passive foreign investment company (a "PFIC") for US federal income tax purposes. The tests to determine whether a company is a PFIC are factual in nature and apply annually and a company's status can change depending, among other things, on changes in the composition and relative value of its gross receipts and assets, changes in its operations and changes in the market value of its stock. Accordingly, no assurance can be provided by the Company that it will not become a PFIC in any future taxable year.

19.1 *Dividends*

The gross amount of any distribution of cash or property with respect to the Shares generally will be included in a US Holder's gross income as ordinary income from foreign sources when actually or constructively received. Dividends will not be eligible for the dividends-received deduction generally available to US corporations. Dividends received by eligible non-corporate US Holders that satisfy a minimum holding period and certain other requirements generally will be taxed at the preferential rate applicable to qualified dividend income if the Company is eligible for benefits under the income tax treaty between the United States and the United Kingdom (the "Treaty") and the Company is not a PFIC as to the US Holder in the Company's taxable year of distribution or the preceding taxable year. The Company believes that it is eligible for benefits under the Treaty.

Dividends paid in a currency other than US dollars will be included in income in a US dollar amount based on the exchange rate in effect on the date of receipt, whether or not the currency is converted into US dollars or otherwise disposed of at that time. A US Holder's tax basis in the non-US currency will equal the US dollar amount included in income. Any gain or loss realised on a subsequent conversion or other disposition of the non-US currency for a different US dollar amount generally will be US source ordinary income or loss. If dividends paid in a currency other than US dollars are converted into US dollars on the day they are received, the US Holder generally will not be required to recognise foreign currency gain or loss in respect of the dividend income.

19.2 *Dispositions*

A US Holder generally will recognise capital gain or loss on the sale or other disposition of Shares in an amount equal to the difference between the US dollar value of the amount realised from the sale or other disposition and the US Holder's adjusted tax basis in the disposed Shares. Any gain or loss generally will be treated as arising from US sources and will be long-term capital gain or loss if the US Holder's holding period exceeds one year. A loss may nonetheless be a long-term capital loss regardless of a US Holder's actual holding period to the extent the US Holder has received, within a specified time period, an aggregate amount of qualified dividends eligible for reduced rates of tax prior to a sale or other disposition of its Shares that exceeded 10% of such US Holder's basis in the Shares. Deductions for capital loss are subject to significant limitations.

The initial tax basis of a US Holder's Shares generally will be the US dollar value of the non-US currency paid in the Offer determined on the date of purchase. If the Shares are treated as traded on an "established securities market" at the time of the Offer, a cash basis US Holder (or, if it elects, an accrual basis US Holder) will determine the US dollar value of the cost of such Shares by translating the amount paid at the spot rate of exchange on the settlement date of the purchase. A US Holder that receives a currency other than US dollars on the sale or other disposition of the Shares will realise an amount equal to the US dollar value of the currency received at the spot rate on the date of sale or other disposition (or, if the Shares are traded on an "established securities market" at the time of disposition, in the case of cash basis and electing accrual basis US Holders, the settlement date). A US Holder that does not determine the amount realised using the spot rate on the settlement date will recognise foreign currency gain or loss if the US dollar value of the currency received at the spot rate on the settlement date differs from the amount realised. A US Holder will have a tax basis in the currency received equal to its US dollar value at the spot rate on the settlement date. Any foreign currency gain or loss realised on the settlement date or on a subsequent conversion of the non-US currency for a different US dollar amount generally will be US source ordinary income or loss.

19.3 *Passive Foreign Investment Company Rules*

The Company believes that it was not classified as a PFIC for US federal income tax purposes for its most recent taxable year and, based on the composition of Company's current gross assets and income (including the income and assets of the Group) and the manner in which the Company expects the Group to operate its business in future years, the Company believes that it should not be classified as a PFIC for US federal income tax purposes for the Company's current taxable year or in the foreseeable future. In general, a non-US corporation will be a PFIC for any taxable year in which, taking into account a pro rata portion of the income and assets of 25% or more owned subsidiaries, either (i) 75% or more of its gross income is passive income, or (ii) 50% or more of the average quarterly value of its assets are assets that produce, or are held for the production of, passive income or which do not produce income. For this purpose, passive income generally includes, among other things and subject to various exceptions, interest, dividends, rents, royalties and gains from the disposition of assets that produce passive income. Whether the Company is a PFIC is a factual determination made annually, and the Company's status could change depending among other things upon

changes in the composition and relative value of its gross receipts and assets (including goodwill). Because the market value of the Company's assets may be determined in large part by the market price of the Shares, which is likely to fluctuate after the Offer, no assurance can be given that the Company will not be a PFIC in the current year or in any future taxable year.

If the Company were a PFIC for any taxable year in which a US Holder holds Shares, such US Holder will be subject to additional taxes on any excess distributions and any gain realised from the sale or other taxable disposition of Shares (including certain pledges) regardless of whether the Company continues to be a PFIC. A US Holder will have an excess distribution to the extent that distributions on Shares during a taxable year exceed 125% of the average amount received during the three preceding taxable years (or, if shorter, the US Holder's holding period). To compute the tax on excess distributions or any gain, (i) the excess distribution or gain is allocated ratably over the US Holder's holding period, (ii) the amount allocated to the current taxable year and any year before the Company became a PFIC is taxed as ordinary income in the current year and (iii) the amount allocated to other taxable years is taxed at the highest applicable marginal rate in effect for each year and an interest charge is imposed to recover the deemed benefit from the deferred payment of the tax attributable to each year.

A US Holder may be able to avoid some of the adverse impacts of the PFIC rules described above by electing to mark Shares to market annually. The election is available only if the Shares are considered "marketable stock," which generally includes stock that is regularly traded in more than de minimis quantities on a qualifying exchange. If a US Holder makes the mark-to-market election, any gain from marking Shares to market or from disposing of them would be ordinary income. Any loss from marking Shares to market would be recognised only to the extent of unreversed gains previously included in income. Loss from marking Shares to market would be ordinary, but loss on disposing of them would be capital loss except to the extent of mark-to-market gains previously included in income. No assurance can be given that the Shares will be traded in sufficient frequency and quantity to be considered "marketable stock" or whether the London Stock Exchange is or will continue to be considered a qualifying exchange for purposes of the PFIC mark-to-market election. A valid mark-to-market election cannot be revoked without the consent of the US Internal Revenue Service ("IRS") unless the Shares cease to be marketable stock.

US Holders should consult their own tax advisers concerning the Company's possible PFIC status and the consequences to them if the Company were classified as a PFIC for any taxable year.

19.4 Information Reporting and Backup Withholding

Dividends on and proceeds from the sale or other disposition of Shares may be reported to the IRS unless the holder is a corporation or otherwise establishes a basis for exemption. Backup withholding may apply to amounts subject to reporting. Any amount withheld may be credited against the holder's US federal income tax liability subject to certain rules and limitations. US Holders should consult with their own tax advisers regarding the application of the US information reporting and backup withholding rules.

Certain non-corporate US Holders are required to report information with respect to Shares not held through an account with a domestic financial institution to the IRS. US Holders that fail to report required information could become subject to substantial penalties. Prospective investors are encouraged to consult with their own tax advisers about these and any other reporting obligations arising from their investment in Shares.

THE DISCUSSION ABOVE IS A GENERAL SUMMARY. IT DOES NOT COVER ALL TAX MATTERS THAT MAY BE OF IMPORTANCE TO A PARTICULAR INVESTOR. EACH PROSPECTIVE INVESTOR IS URGED TO CONSULT ITS OWN TAX ADVISOR ABOUT THE TAX CONSEQUENCES TO IT OF AN INVESTMENT IN SHARES IN LIGHT OF THE INVESTOR'S OWN CIRCUMSTANCES.

20. Enforcement and civil liabilities under US federal securities laws

The Company is a public limited company incorporated under English law. Many of the Directors are citizens of the United Kingdom (or other non-US jurisdictions), and a portion of the Company's assets are located outside the United States. As a result, it may not be possible for investors to effect service of process within the United States upon the Directors or to enforce against them in the US courts judgments obtained in US courts predicated upon the civil liability provisions of the US federal securities laws. There is doubt as to the enforceability in England, in original actions or in actions for enforcement of judgments of the US courts, of civil liabilities predicated upon US federal securities laws.

21. 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 Prospectus, 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.

22. Related party transactions

Save as described in Note 23 of Section B of Part 11 (*Historical Financial Information*) and the Relationship Agreement described in Part 7 (*Directors, Senior Managers and Corporate Governance*), no member of the Group entered into any related party transactions between 1 April 2017 and the date of this Prospectus.

23. Working capital

In the opinion of the Company, taking into account bank facilities available to the Group, the Group has sufficient working capital for its present requirements, that is for at least the next 12 months following the date of this Prospectus.

24. 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.

25. Consents

Ernst & Young LLP has given and has not withdrawn its written consent to the inclusion in this Prospectus of the reports in Section A of Part 11 (*Historical Financial Information*) and Section A of Part 12 (*Unaudited Pro Forma Financial Information*), and has authorised the contents of those reports as part of this Prospectus for the purposes of Rule 5.3.2R(2)(f) of the Prospectus Regulation Rules and 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 European Union (Withdrawal) Act 2018.

A written consent under the Prospectus Regulation Rules is different from a consent filed with the United States Securities and Exchange Commission under Section 7 of The US Securities Act. As the Shares have not been and will not be registered under The US Securities Act, Ernst & Young LLP has not filed and will not be required to file a consent under Section 7 of The US Securities Act.

Each of Morgan Stanley & Co. International plc, Goldman Sachs International, Barclays Bank PLC, HSBC Bank plc, Merrill Lynch International, RBC Europe Limited, Banco Santander, S.A. and Raiffeisen Bank International AG has given and has not withdrawn its written consent to the issue of this document with the inclusion of the references to its name in the form and context in which it appears.

Lazard & Co., Limited has given and has not withdrawn its written consent to the issue of this document with the inclusion herein of the references to its name in the form and context in which it appears.

26. General

- 26.1 The fees and expenses to be borne by the Company in connection with Admission, including professional fees and expenses and the costs of printing and distribution of documents are estimated to amount to approximately £26.2 million (including VAT). The Selling Shareholders have agreed to pay their expenses in connection with the sale of Existing Shares including commissions of up to approximately £39.1 million (assuming that no Over-allotment Shares are acquired pursuant to the Over-allotment option).
- 26.2 The financial information contained in this Prospectus does not amount to statutory accounts within the meaning of section 434(3) of the Act.
- 26.3 Each Existing Share is expected to be sold at a premium of 369 pence to its nominal value of one pence.

27. 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 Prospectus:

- (a) the Articles; and

- (b) the consent letters referred to in paragraph 25 (*Consents*) of this Part 14 (*Additional Information*).

This Prospectus will be published in electronic form and be available on the Group's website at www.drmartensplc.com.

Dated: 29 January 2021

Part 15

Definitions and Glossary

The following definitions apply throughout this Prospectus 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
“Admission”	the admission of the Shares to the premium listing segment of the Official List and to trading on the London Stock Exchange’s main market for listed securities
“Agent”	HSBC Bank plc
“Airwair”	Dr. Martens Airwair Group Limited
“Airwair International”	Airwair International Limited
“APAC”	Asia-Pacific
“Articles”	the Articles of Association of the Company to be adopted upon Admission
“Awards”	the grant of awards over Shares provided for under the LTIP
“BlackRock Funds”	BlackRock Investment Management (UK) Limited, as agent for funds and accounts under its management
“Board”	the board 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
“Borrower”	Ampdebtco Limited
“Borrowing Group”	the Borrower and its subsidiaries
“Brexit”	the United Kingdom’s decision to leave the European Union under Article 50 of the 2009 Lisbon Treaty
“buy-out awards”	compensation for forfeited awards from an individual's previous employer
“Buyback Authority”	the authority of the Company to purchase Shares
“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
“Closing Date”	the termination date for New Senior Facility B and the New RCF, which will be five years from the date of first utilisation of either of the New Facilities
“Co-lead Managers”	Banco Santander, S.A. and Raiffeisen Bank International AG
“Company”	Dr. Martens plc
“Composite Mark”	certain trade marks combining the “Dr. Martens” and “AIRWAIR” trade marks
“Conditional Award”	contingent right to receive Shares provided for under the LTIP
“Cornerstone Investors”	BlackRock Funds, Henderson and Merian - Jupiter
“CREST”	the UK-based system for the paperless settlement of trades in listed securities, of which Euroclear UK and Ireland Limited is the operator
“CREST Regulations”	The Uncertificated Securities Regulations 2001 (SI 2001/3755)
“Deeds of Election”	the share sale election deeds entered into by the Minority Selling Shareholders pursuant to which, amongst other things, the Minority Selling Shareholders

	have irrevocably instructed the SSE Agent to agree the sale of Existing Shares for and on behalf of the Minority Selling Shareholders.
“Directors”	the Executive Directors and the Non-Executive Directors of the Company
“Disclosure Guidance and Transparency Rules”	the disclosure guidance and transparency rules produced by the FCA
“Dividend Equivalent”	an amount equal in value to the aggregate dividends that would have been paid on Shares in respect of an Award between the date of grant and the vesting date provided for under the LTIP
“Dividend Shares”	dividends received on Shares held in the SIP to be reinvested in additional Shares
“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
“EBT”	Employee Benefit Trust
“EEA”	the European Economic Area
“EMEA”	Europe, the Middle East and Africa
“EPS”	earnings per share
“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
“Existing Borrower”	Doc Bidco Limited
“Existing Facilities”	the Term Loan Facilities and the RCF
“Existing Shares”	the 350,000,035 Shares to be sold as part of the Offer by the Selling Shareholders (excluding, for the avoidance of doubt, the Over-allotment Shares)
“Facility A”	the £18.0 million term amortising term loan A of the Term Loan Facilities
“Facility B”	the £18.0 million term amortising term loan B of the Term Loan Facilities
“Facility C”	the £18.0 million term amortising term loan C of the Term Loan Facilities
“FCA”	the Financial Conduct Authority
“FCPA”	the US Foreign Corrupt Practices Act
“Finance Documents”	the finance documents as it will be defined in the New Facilities Agreement
“Financial Adviser”	Lazard & Co., Limited
“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
“GMI”	the Global Management Incentive Plan
“Governance Code”	the UK Corporate Governance Code published by the Financial Reporting Council, as amended from time to time
“Griggs Shareholders”	those members of the Griggs family who hold Shares prior to Admission

“Henderson”	Henderson Global Investors Limited
“HMRC”	HM Revenue and Customs
“HIBOR”	Hong Kong Interbank Offered Rate
“Holding Period”	the post-vesting holding period in respect of vested Shares or unexercised Options
“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
“Independent Non-Executive Directors”	the independent non-executive Directors of the Company
“Intermediate Holding Companies”	Doc Debtco Limited, Ampdebtco Limited, Doc Midco Limited and Doc Bidco Limited
“IPO Awards”	the first awards under the LTIP to be granted after Admission
“IRS”	the United States Internal Revenue Service
“Joint Bookrunners”	Barclays Bank PLC, HSBC Bank plc, Merrill Lynch International and RBC Europe Limited and the Joint Global Co-ordinators
“Joint Global Co-ordinators”	Goldman Sachs International and Morgan Stanley & Co. International plc
“KPI”	key performance indicator
“LEI”	legal entity identifier
“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
“Listing Rules”	the listing rules of the FCA made under section 74(4) of the FSMA, as amended
“London Stock Exchange”	London Stock Exchange plc
“LTIP”	the Dr. Martens Long-Term Incentive Plan
“Mandated Lead Arrangers”	Barclays Bank PLC, Bank of America Europe Designated Activity Company, the Governor and Company of the Bank of Ireland, Goldman Sachs Bank Europe SE, HSBC UK Bank plc, Morgan Stanley Bank International Limited, National Westminster Bank Plc, Royal Bank of Canada, Raiffeisen Bank International AG and Santander UK plc
“Market Abuse Regulation”	Regulation (EU) 596/2014 as it forms part of retained EU law as defined in the European Union (Withdrawal) Act 2018
“Merian - Jupiter”	Merian Global Investors (UK) Limited and Jupiter Asset Management Limited, as agents for funds managed by Merian Global Investors and Jupiter Asset Management
“Member State”	a member state of the European Economic Area
“Minority Selling Shareholders”	Minority Shareholders who sell Shares as part of the Offer
“Minority Shareholders”	individual and corporate Shareholders other than the Principal Shareholder
“Modern Slavery Act”	the Modern Slavery Act 2015
“New Facilities”	the New Senior Facility B and the New RCF

“New Facilities Agreement”	the senior facilities agreement dated 27 January 2021 between the Borrower, the Mandated Lead Arrangers, the Original Lenders, the Agent and the Security Agent pursuant to which the Original Lenders will make the New Facilities available to the Borrower
“New RCF”	the £200.0 million multi-currency revolving credit facility committed to be provided to the Borrower by the Mandated Lead Arrangers upon Admission
“New Senior Facility B” . .	the term loan facility of €337.5 million committed to be provided to the Borrower by the Mandated Lead Arrangers upon Admission
“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 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?”
“Offer”	the sale of Existing Shares by the Selling Shareholders described in Part 13 (<i>Details of the Offer</i>)
“Offer Price”	the price at which each Existing Share is to be sold pursuant to the Offer
“Official List”	the Official List of the FCA
“Options”	an option to acquire Shares at no or nominal cost provided for under the LTIP
“Orderly Marketing Agreement”	the agreement between the Principal Shareholder and the Griggs Shareholders regulating the disposal of Shares by any of them following Admission as described in paragraph 14 (<i>Underwriting Arrangements</i>) of Part 14 (<i>Additional Information</i>)
“Original Lenders”	the financial institutions listed as original lenders in the New Facilities Agreement
“Over-allotment Option” . .	the option granted to the Stabilising Manager by the Principal Shareholder to purchase, or procure purchasers for, up to 52,500,005 additional Shares as more particularly described in Part 13 (<i>Details of the Offer</i>)
“Over-allotment Shares” . . .	the existing Shares that are the subject of the Over-allotment Option
“PCAOB”	the Public Company Accounting Oversight Board (United States)
“Performance Share Award”	Awards conditional on continued employment and the achievement of any performance conditions provided for under the LTIP
“Permira Funds”	funds advised by Permira Advisers LLP
“Phantom Award”	a cash payment calculated by reference to the market value of a notional share provided for under the LTIP
“PFIC”	passive foreign investment company
“PRA”	the Prudential Regulation Authority
“Principal Shareholder” . . .	IngreLux S.à.r.l.
“Private Placement Provinces”	the Canadian provinces of Ontario, Manitoba, Quebec, British Columbia and Alberta
“Pro Forma Financial Information”	the unaudited pro forma statement of net assets and accompanying notes
“Prospectus”	the final prospectus approved by the FCA (as competent authority under Regulation (EU) 2017/1129 as it forms part of retained EU law as defined in the European Union (Withdrawal) Act 2018) as a prospectus prepared in

	accordance with the Prospectus Regulation Rules made under section 73A of the FSMA
“Prospectus Regulation” . . .	Regulation (EU) 2017/1129 and amendments thereto as it forms part of retained EU law as defined in the European Union (Withdrawal) Act 2018
“Prospectus Regulation Rules”	the prospectus regulation rules of the FCA made pursuant to section 73A of the FSMA, as amended
“qualified institutional buyers” or “QIBs”	has the meaning given by Rule 144A
“Qualified Investors”	persons who are “qualified investors” within the meaning of Article 2(e) of the Prospectus Regulation
“RCF”	the multicurrency revolving credit facility in aggregate committed amount of £105.0 million provided under the Senior Facilities Agreement
“Registrar”	Equiniti Limited
“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 European Union (Withdrawal) Act 2018) as a registration document prepared in accordance with the Prospectus Regulation Rules
“Regulation S”	Regulation S under the US Securities Act
“Relationship Agreement” . .	the relationship agreement entered into between the Company and the Principal Shareholder as described in Part 14 (<i>Additional Information</i>)
“Reorganisation”	the reorganisation as described in paragraph 3 (<i>Reorganisation</i>) in Part 14 (<i>Additional Information</i>)
“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 paragraph 16.4 of Part 14 (<i>Additional Information</i>)
“Restricted Share Award” . .	Awards conditioned on continued employment provided for under the LTIP
“Rule 144A”	Rule 144A under the US Securities Act
“SAYE Scheme”	the Dr. Martens plc Save As You Earn Scheme
“Schedule 2”	Schedule 2 to the Income Tax (Earnings and Pensions) Act 2003
“Schedule of Changes” . . .	the schedule of changes to the Registration Document
“SDRT”	stamp duty reserve tax
“Security Agent”	HSBC Corporate Trustee Company (UK) Limited
“Selling Shareholders”	Shareholders who sell Shares as part of the Offer as listed in paragraph 9 (<i>Selling Shareholders</i>) in Part 14 (<i>Additional Information</i>), comprising the Principal Shareholder and the Minority Selling Shareholders
“Senior Facilities Agreement”	the term and revolving facilities agreement between the Parent, the Existing Borrower, the financial institutions listed therein as original lenders and Barclays Bank PLC as facility agent and security trustee dated 23 October 2013
“Senior Independent Non-Executive Director”	the senior non-executive director of the Company
“Senior Managers”	those individuals identified as such in Part 7 (<i>Directors, Senior Managers and Corporate Governance</i>)
“SEO”	search engine optimisation

“Share-for-Share Exchange”	the share-for-share exchange as described in paragraph 3 (<i>Reorganisation</i>) in Part 14 (<i>Additional Information</i>)
“Shareholders”	the holders of Shares in the capital of the Company
“Shares”	the ordinary shares of the Company, having the rights set out in the Articles
“SIP”	the Dr. Martens plc Share Incentive Plan
“Sponsor”	Morgan Stanley & Co. International plc
“SSE Agent”	Equinity Financial Services Limited
“Stabilising Manager”	Goldman Sachs International
“sterling” or “pounds sterling” or “UK sterling” or “GBP” or “£” or “pence”	the lawful currency of the United Kingdom
“Takeover Panel”	the Panel on Takeovers and Mergers
“Term Loan Facilities”	the £85.00 million term loan facilities provided under the Senior Facilities Agreement
“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)
“Treaty”	the income tax treaty between the United States and the United Kingdom
“TSR”	relative total shareholder return
“UK Bribery Act”	the UK Bribery Act 2010
“Underwriters”	the Joint Bookrunners and the Co-lead Managers
“Underwriting Agreement” . .	the underwriting agreement entered into between the Company, the Directors, Principal Shareholder, the SSE Agent and the Underwriters described in paragraph 14.1 (<i>Underwriting Agreement</i>) of Part 14 (<i>Additional Information</i>)
“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 Exchange Act”	United States Securities Exchange Act of 1934, as amended
“US GAAP”	accounting principles generally accepted in the United States
“US GAAS”	auditing standards generally accepted in the United States
“US Securities Act”	the United States Securities Act of 1933, as amended

Schedule of Changes

The registration document published by the Company on 11 January 2021 (the “Registration Document”) contained the information required to be included in a registration document for equity securities by Annex 1 of the Prospectus Regulation. The Prospectus, which otherwise contains information extracted without material amendment from the Registration Document (except as set out below), also includes information required to be included in a Share Securities Note, Summary and Prospectus relating to the offer to the public as prescribed by Annex 11 and Article 7 of the Prospectus Regulation. The Prospectus updates and replaces in whole the Registration Document. Any investor participating in the Offer should invest solely on the basis of the Prospectus, together with any supplement thereto and Pricing Statement.

This schedule of changes to the Registration Document (the “Schedule of Changes”) sets out, refers to or highlights material updates to the Registration Document.

Capitalised terms contained in this Schedule of Changes shall have the meanings given to such terms in the Prospectus unless otherwise defined herein.

PURPOSE

The purpose of this Schedule of Changes is to:

- Highlight material changes made in the Prospectus, as compared to the Registration Document;
- Highlight the new disclosure made in the Prospectus to reflect information required to be included in a Share Securities Note; and
- Highlight the new disclosure made in the Prospectus to reflect information required to be included in a Summary.

REGISTRATION DOCUMENT CHANGES

- Unless the context otherwise requires, references to the Company have been revised to refer to Dr. Martens plc, as opposed to Dr. Martens Limited.
- The information under the heading “Corporate governance” and the description of the committees’ structure on page 59 to of the Registration Document have been amended in the Prospectus, to reflect the Company’s expected corporate governance structure following Admission, which reflects the implementation of changes to the Group’s corporate governance arrangements appropriate for a listed company. Please see pages 73 to 74 of the Prospectus.
- A new paragraph entitled “Relationship Agreement with the Principal Shareholder” on pages 74 to 75 has been added into the Prospectus to describe the Relationship Agreement between the Company and the Principal Shareholder.
- The paragraph entitled “Incorporation and Share Capital” on page 142 of the Registration Document has been updated in the Prospectus to reflect the Company’s expected share capital structure immediately prior to and immediately following Admission. Please see pages 170 to 173 of the Prospectus.
- The paragraph entitled “Reorganisation” on pages 142 to 143 of the Registration Document has been updated in the Prospectus to reflect steps that the Company has undertaken and expects to undertake prior to Admission. Please see pages 173 to 175 of the Prospectus.
- The paragraph entitled “Articles of Association” on pages 143 to 146 of the Registration Document has been amended in the Prospectus, to reflect the articles of association of the Company that will take effect from Admission. Please see pages 175 to 178 of the Prospectus.
- The paragraph entitled “Investment Agreement” on page 157 of the Registration Document has been deleted in the Prospectus, as the Investment Agreement will be terminated pursuant to the Reorganisation Deed with effect from (and conditional upon) Admission.
- The paragraph entitled “Directors’ and Senior Managers’ interests” on page 146 of the Registration Document has been updated in the Prospectus to reflect: (i) the expected interests in the share capital of the Company of the Directors and Senior Managers immediately prior to and immediately following Admission. Please see pages 181 to 182 of the Prospectus.

- The paragraph entitled “Principal Shareholder” on page 152 of the Registration Document has been updated in the Prospectus to reflect the expected interests in the share capital of the Company of the Principal Shareholder immediately prior to and immediately following Admission. Please see pages 187 to 188 of the Prospectus.
- A new paragraph entitled “Remuneration policy” has been added into the Prospectus, to describe the remuneration policy of the Company. Please see pages 188 to 191 of the Prospectus.
- A new paragraph entitled “Employee share plans” has been added into the Prospectus, to describe the employee share plans that have been established by the Company. Please see pages 191 to 199 of the Prospectus.
- The paragraph entitled “The Group’s financing arrangements” on page 157 of the Registration Document has been updated in the Prospectus to reflect the new material financing arrangements of the Company. Please see pages 205 to 207 of the Prospectus.
- Changes have been made to the paragraph entitled “Material contracts” on pages 155 to 158 of the Registration Document, including the addition of the following new material contracts: (i) Underwriting Agreement, (ii) Relationship Agreement and (iii) Cornerstone Agreements. Please see pages 205 to 208 of the Prospectus.

Unaudited Pro Forma Financial Information

- A new section entitled “Unaudited Pro Forma Financial Information” has been added to the Prospectus to illustrate the effect of (i) draw down of amounts under the New Facilities Agreement; (ii) repayment of the Existing Facilities; (iii) the Reorganisation; and (iv) the expenses of the Offer, on Doc Topco Limited’s net assets as at 30 September as if these events had been undertaken at that date. Please see pages 158 to 161 of the Prospectus.

SECURITIES NOTE INFORMATION

- A new section entitled “Risks Relating to the Offer and the Shares” has been added into the Prospectus to describe the risks relating to the Offer and the Shares, including risks relating the liquidity or trading price of the Shares and risks relating to Shareholders in the United States. Please see pages 26 to 28 of the Prospectus.
- New sections entitled “Expected Timetable of Principal Events and Offer Statistics” and “Details of the Offer” have been added into the Prospectus, describing the means through which the Shares will be offered to the public pursuant to the Offer. Please see page 38 and pages 162 to 169 of the Prospectus.
- A new section entitled “Capitalisation and Indebtedness” has been added into the Prospectus, describing the capitalisation and indebtedness of the Company as at 29 November 2020. Please see pages 97 to 98 of the Prospectus.
- A new paragraph entitled “Underwriting arrangements” has been added into the Prospectus, describing the arrangements entered into between the Company and the Selling Shareholders and the Underwriters, among other parties, pursuant to which the Underwriters agreed to underwrite the Offer. This disclosure also includes terms of the lock-up arrangements that have been entered into or will be entered into ahead of Admission. Please see pages 200 to 201 of the Prospectus.
- New paragraphs entitled “UK Taxation” and “US Federal Income Taxation” have been added into the Prospectus to provide a general guide to certain UK and US tax considerations relevant to the acquisition, ownership and disposition of Shares. Please see pages 208 to 212 of the Prospectus.
- A new paragraph entitled “Dilution” and has been added into the Prospectus to describe the effect of the Offer on existing Shareholders. Please see page 188 of the Prospectus.
- A new paragraph entitled “Working capital” has been added into the Prospectus, confirming the adequacy of the Group’s working capital. Please see page 213 of the Prospectus.

SUMMARY INFORMATION

- A new section entitled “Summary” has been added into the Prospectus, to reflect the addition of a Summary as required by Article 7 of Regulation (EU) 2017/1129 as it forms part of retained EU law as defined in the European Union (Withdrawal) Act 2018. Please see pages 6 to 12 of the Prospectus.

